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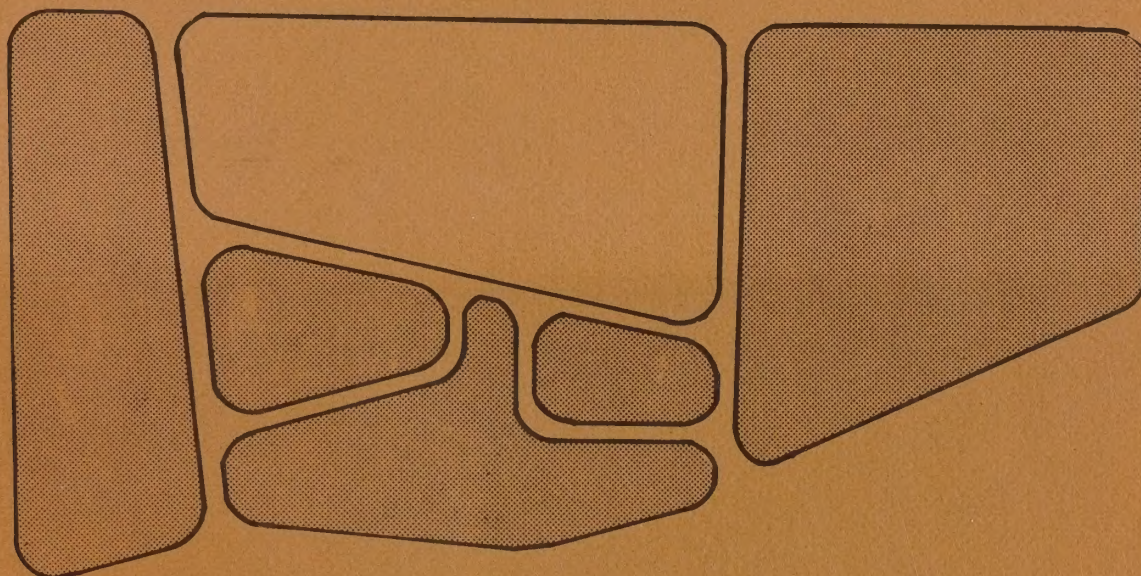
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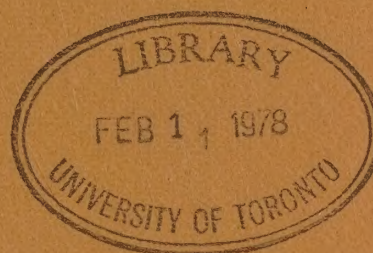
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**BOROUGH OF NORTH YORK
RESPONSE TO THE
ROYAL COMMISSION ON
METROPOLITAN TORONTO**

**Final Report
Vol. 1**



WOODS, GORDON & CO.
TORONTO
M5K 1J7

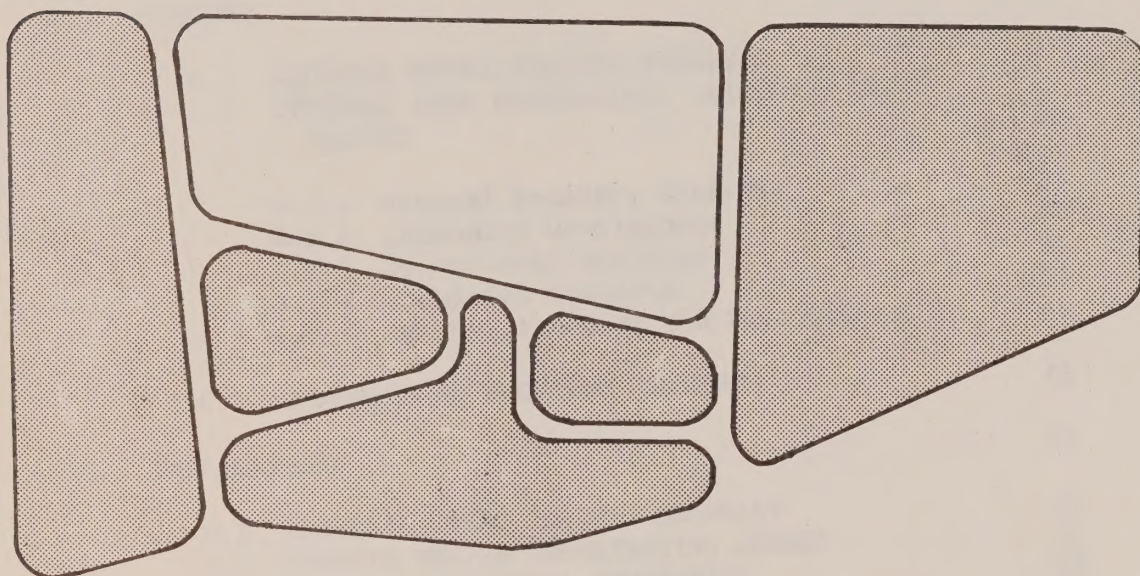


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BOROUGH OF NORTH YORK STUDY

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SUMMARY OF FINDINGS AND RECOMMENDATION

VI SUMMARY OF FINDINGS AND RECOMMENDATION

It is our opinion that should the boundary recommendations of the Royal Commission be implemented, the Borough of North York would be adversely affected in the following ways:

1. The average municipal taxpayer (\$7,000 assessment) would experience an increase in costs of \$111 per annum. This total is made up as follows:

- (a) A reduction of some 37% in commercial/industrial (and business) assessment related to a 25% decrease in population. This produces an increase in the annual tax levy of \$35.70 for the average taxpayer or the equivalent of 5.1 mills.
- (b) Net 'transitional' costs of \$9.8-\$10.7 millions broken down as follows:
 - \$0.225-\$0.525 millions in immediate administrative costs; and
 - \$9.599-\$10.149 millions for new service facilities and systems.

When amortized over 20 years at 9% interest per annum this produces an annual increase of \$6.23-\$6.79 for the average taxpayer or the equivalent of 0.89-0.97 mills.

- (c) Additional operating costs for the new service facilities and systems in item (b) of \$865,000 annually. This produces an annual increase of \$5.00 for the average taxpayer or the equivalent of 0.714 mills.
- (d) Board of Education studies indicate that North York's total mill rate for education would increase by 3.7 mills, representing approximately \$25.90 for the average municipal taxpayer.
- (e) North York would lose 42% of its existing recreational and open space lands compared to a 25% loss in population. To finance any land acquisitions to maintain the present ratio of Borough-owned parklands to population in the proposed 'new' borough, it will require an annual expenditure of \$1.3 million. This results in an increase in the annual tax levy of \$7.43 for the average taxpayer, or 1.1 mills.

- (f) An increase in net expenditures for the Waterworks Division of \$638,000 annually. This produces an annual increase in the cost of water of \$4.49 for the average taxpayer.
- (g) North York Hydro Commission reports that an increase in Hydro costs of \$26.09 per average taxpayer can be expected, broken down as follows:
 - a reduction in net annual income of \$4.7 million; and
 - a capital cost of \$5.0 million for separate physical plant facilities.

The net income reduction produces an annual increase in hydro rates of 10% or \$24.00 for the average taxpayer. The capital cost, when amortized over 20 years at 9% interest per annum, produces an annual increase of \$2.09 per taxpayer.

The cumulative effect of items (a) - (g) for the average taxpayer would be to increase annual costs by \$110.84 - \$111.40.

2. The overall loss to North York would be \$284.0 millions in residential, \$154.0 millions in commercial/industrial, and \$76.0 millions in business assessment for a total loss of \$514.0 millions in present value assessment. In terms of current market value assessment, the losses would be \$2,428.0 millions in residential, \$758.0 millions in commercial/industrial and \$625.0 millions in business for a total loss of \$3.8 billions.
3. A total of \$56 millions worth of property owned by the Borough of North York would be transferred to other municipalities. This includes a transfer of some \$29 millions to York, \$22 millions to East York and \$5 millions to the City of Toronto.

4. North York would lose 39.8% of existing jobs compared to the 25% reduction in population.
5. North York would lose 31% of its existing retail floor space in centres, and 55% of its strip commercial floor space.
6. Retail floor space on a per capita basis would decline by 11.5%.
7. North York would experience a loss, in the short-term at least, in overall organizational efficiency due to the loss of economies of scale.
8. North York would lose 6 out of 9 community centres to other municipalities.

The results of our research into the views of the citizens of North York regarding the recommendations of the Royal Commission on Metropolitan Toronto show that:

9. Half of the citizens of North York are opposed to boundary modifications and only 13 percent support boundary modifications.
10. More than 75% of the residents of North York have no knowledge of the Commission's activity or recommendations.

The boundary recommendations for the Borough of North York are contrary to the Royal Commission's own boundary criteria and assumptions with respect to the following:

11. The reduction of 25% in population would be accompanied by a 37% reduction in commercial/industrial and business assessment.
12. The service areas of permanent physical facilities near the proposed York Mills-Ellesmere and Warden Avenue boundaries would be rendered unworkable.

13. The proposed ward system would not be readily operable in either the existing or 'new' Borough of North York.
14. The Downsview Airport site should not be included as a potential contributor to North York's assessment base since it is owned by the Federal Government and its disposition cannot be determined by another authority.

There are a number of additional points that should be considered in your deliberations. These are:

15. By taking as given the existing boundary of Metropolitan Toronto, the Commission was unduly constrained in its examination.
16. The Commission brought forward no alternative boundaries for the Borough of North York, or alternative criteria for wards, for public review.
17. A metro-wide re-structuring of internal municipal boundaries, such as proposed by the 1965 (Goldenberg) Royal Commission would be a more acceptable solution for North York.

RECOMMENDATION

As a result of our analysis of the Royal Commission report, we recommend that the Council of the Borough of North York make representations to the Government of Ontario to ensure that it does not enact legislation to implement the proposed municipal boundaries for North York.

II. STUDY APPROACH

II. STUDY APPROACH

The purpose of this section is to outline the process, or means, used by our firm to assess the issue of municipal boundaries for the Borough of North York. This issue has arisen as a result of the recommendations of the Report of the Royal Commission on Metropolitan Toronto which propose, among other things, a considerable reduction in the size of North York. In order to fully understand and assess the implications of any new boundaries, particularly in respect to municipal services, costs, and overall community development, it is important to systematically review both present and proposed boundary situations. More specifically, it would be advisable to investigate the assumptions of the Royal Commission and the constraints of any criteria and their method of application to obtain new boundaries. However, before proceeding further, it is important to define what a municipal boundary is and why it is of importance to the administration of local affairs.

A municipal boundary is an abstraction aimed at achieving or facilitating the human organization of geographic space and settlement. From this basic concept, boundaries assume other vestiges of importance due to historical events, incorporation under the Municipal Act, Ch. 284, R.S.O., 1970, inter-municipal competition, new physical or economic growth pressures, municipal re-organization and re-structuring, and public finance.

2.1 TERMS OF REFERENCE

The primary terms of reference for our study are contained in the initial letter of request for a proposal from the Borough's Board of Control. This letter, dated July 19, 1977, states:

- (i) "...That a consultant be retained for the purpose of studying the recommendations of the Royal Commission on Metropolitan Toronto respecting the North York boundaries, insofar as they apply to North York, including the effect on taxation and continuity of existing programmes and services presently available to residents of North York, and to report back with recommendations; and
- (ii) That the terms of reference for the consultant... be expanded to permit such consultant to retain or conduct such undertakings within the overall cost estimate as would enable it to investigate and research specific areas, conduct public opinion polls, public relations, planning, etc."

The above reference was used as the basis of our proposal and presentation to the Borough's Special Committee on July 27, 1977, and our subsequent engagement by resolution of the Borough's Council on August 2, 1977. In accordance with our proposal and retention, we later prepared and presented for approval a detailed study design and task schedule to the Borough's Special Committee on August 15, 1977.

2.2 OVERALL STUDY DESIGN

In recognition of the understandable complexity of issues posed by any political and administrative change to a large urban municipality, such as North York, within a still-larger metropolitan setting, the essential requirements of our effort were attention to the terms of reference provided, and flexibility to adapt to changing circumstances during the course of the actual study. Given the nature

EXHIBIT 1

STUDY DESIGN

PHASE	CONTENTS	COMPLETION
1. Study Design	Detailed Study Design	August 15, 1977
2. Preliminary Analysis and Future Work Plan	Desk Research Preliminary Community, Operational and Financial Analyses Design, Development and Pre-test Social Survey Survey Questionnaire Preliminary Report	September 19, 1977
3. Analysis and Implications	Detailed Departmental/Operational Survey Detailed Community, Operational and Financial Analyses Conduct and Analysis of Social Survey Synthesis of 'key' findings Identification of Implication of Boundary Proposals 'Draft' Final Report	October 14, 1977
4. Final Report	Review 'draft' Final Report Preparation of Final Report	October 28, 1977
5. Presentation	Submission of Final Report to Borough of North York	October 31, 1977

of the subject under enquiry, and the rather intensive work effort required due to an imposed Provincial deadline for submissions, our study process was required to accommodate, and even facilitate changes, without undue loss of time or effort, and to respond to new circumstances such as additional or less information, and/or unexpected findings in order to complete our assignment on schedule.

Based on the above, a 5-phase study design was prepared. Each of the 5 main phases and their respective 'key' milestones are briefly outlined in Exhibit 1, Detailed Study Design. Reference should be made to this diagram and to the network precedence diagram of task scheduling which was used for project management purposes.

2.3 BOUNDARY ANALYSIS

Cognizant that the changes as proposed in the Royal Commission's Final Reports might actually occur, it was important that local municipal concerns be properly addressed. In our view, these concerns included:

Community Development Analysis, which deals with the effect of the Royal Commission's recommendations and in particular, the linear characteristics of the proposed boundary in relation to the criteria used to define it, and the impact of the proposed boundary changes on the population, employment, housing, and existing land use and spatial structures of the Borough;

Operational Analysis, which is an investigation to determine the nature and extent of the impacts of the proposed boundary changes on the Borough's present expenditures through the delivery of programmes and services by its departments; and

Financial Analysis, which focuses on the dollar effect of all of the above in relation to the Borough's current revenues.

In respect to each of the above community, operational, and financial analyses, a few further illustrative remarks may be in order. First, regarding the Community Development Analysis, we looked to identify and assess any impacts due to any significant changes in: population levels, distribution, age-structure; employment by distribution and type; housing stock by type and distribution; land use by major categories; and basic urban spatial structures.

In the operational analysis, any potential impacts, either positive or negative, due to boundary changes were identified and assessed in terms of the variation in costs of providing local municipal services to existing Borough residents, and the levels, or standards, of providing services in the 'new' North York. In so doing, an objective assessment of the 'net' effect of the proposed boundary changes on the Borough's operations was obtained.

In a somewhat similar way, the thrust of the financial analysis was to uncover and objectively review the Commission's assessment of tax change, or tax burden, in view of the possible changes to the municipal property base brought about by the reduction in the area of the Borough, quite apart from the changes due to the imminent move to current market value assessment from property values frozen at their 1970 levels.

Finally, it was our purpose, within reasonable constraints, to identify other boundary criteria which might be aimed, among other things, at defining new internal municipal boundaries as alternatives to lessen or eliminate any adverse impacts which might be expected.

2.4 SOCIAL SURVEY

Within the broader objectives established for the overall study of the effect of the Royal Commission's boundary recommendations on the Borough of North York, a number of more specific objectives were established for a social survey. Briefly, we felt these were:

- to obtain and assess the general level of public awareness in regard to the Royal Commission, its boundary recommendations and impact on the Borough;
- to uncover the perception of Borough residents to prospective boundary changes and their attitudes and concerns relating to them as a secondary consideration;
- to attempt a surrogate referendum of informed respondents in respect to their choice or preference for possible changes to municipal boundaries; and
- to assist the Borough's Special Committee and Council to obtain and build a positive case for the municipality as the basis of a formal representation (brief) to the Government of Ontario.

Subject to proper control of the survey and the completion of sufficient responses to ensure adequate statistical significance and confidence, the findings of the social survey of the Borough of North York should constitute an important feature to the Borough's submission to the Government of Ontario in response to the Report of the Royal Commission on Metropolitan Toronto.

It is realized that the ultimate degree of success in making representation of a municipal position to the Province may be dependent upon the nature of the outcome of the survey on the one hand, and the general responsiveness of Borough residents to the issues at hand on the other.

Through the quantitative measures in the questionnaire, presented in Volume 2, of this report, the Special Committee and Borough Council should be able to present within the limitations of any survey technique, a confident indication of the degree of public support in North York for the boundary changes proposed by the Royal Commission.

Through the qualitative measures presented in the questionnaire, the Borough Council will be able to assess the degree of visibility of the Royal Commission Report among sampled residents and the nature of probable public response and expectations to the Municipal and Provincial governments.

Through both sets of measures, quantitative and qualitative, together with other and more technical findings obtained elsewhere in the overall study process, members of the Borough's Council should be able to formulate a strategy in terms of the content of the final submission as well as the manner of its presentation and the character of any related publicity.

Furthermore, since it was impractical, if not impossible, to consult every citizen of the Borough, the random sample basis of the social survey, when properly designed and conducted, constitutes a legitimate form of public consultation on the issues important to the future of the Borough and its residents. It is in this respect, that both the qualitative and quantitative aspects of the social survey can be effectively utilized to bolster any technical arguments inasmuch as public opinion and awareness has actually been tested and measured.

To that end, the base and thrust of arguments advanced by the Borough should be increased and the sensitivity of all participants to the drafting of Provincial legislation should be vastly improved prior to its enactment and proclamation.

III. BACKGROUND

III BACKGROUND

The basic objective of this section is to provide a brief overview of the Royal Commission beginning with its mandate, or terms of reference, and then proceeding to outline its assumptions and analysis, and then its findings and recommendations. Where possible, a second objective will be to focus on those parts of the Commission's Final report which might be directed towards the three perspectives of community development, borough operations, and municipal finance. This objective is premised on the assumption that the Commission's recommendations, including the boundary changes, could be enacted as presented.

The primary background material reviewed in the course of our work phases included: the Royal Commission's 2-volume final report, the preceeding array of background studies, and various 'selected' briefs presented earlier to the Royal Commission. Secondary background material included a considerable number of North York documents, such as municipal budget information and reports prepared to date by various Borough departments for the Special Committee, and any other reports of Provincial, Metropolitan or borough interest which, in our view, could be relevant to the completion of our assignment. All of the background research has now been completed as an integral part of the work phases of this study.

To begin, the Terms of Reference* for the recent Royal Commission on Metropolitan Toronto were essentially two-fold:

* Contained in an Order-in-Council, dated September 10, 1974.

- To examine the structure, organization and operations of local government within the Metropolitan Toronto area (with 11 specific references) (p. xiii), and
- To undertake to encourage public awareness, participation and understanding of the issues (p. xiv).

Flowing from the above mandate, the Commission during the conduct of its work made five major assumptions. These are generalized below as follows:

- That Federal or Provincial powers and responsibilities, as they affect urban areas, will remain unchanged (p. 8);
- That the role played by central Ontario in the National and Provincial economies will be similar to the present (role) (p. 8);
- That central Ontario's population growth rate will be more moderate in the future (p. 8);
- That the present external boundary of Metropolitan Toronto will remain the same (p. 97); and
- That the demands of citizens for participation in municipal government in Metropolitan Toronto will continue and grow (p. 9).

Relative to the nature and focus of our assignment, the most important assumptions made by the Commission relate to the continuance of the economic role of this part of Ontario within the National Framework and the rigidity of the external boundary of Metro Toronto which, at the same time, has a major influence in delineating internal municipal boundaries within Metro. As indicated in the intensive review presented later in this report, the retention of the present external Metro boundary is important to the future of North York.

Based upon its major assumptions related to senior government responsibilities to urban areas, the economic role of Metro Toronto,

the fixed external boundary, and the anticipated public demands to be placed on future municipal government; the Commission advanced 126 recommendations for improving the future political administrative structure of Metropolitan Toronto. For reference, the Commission structures these 126 recommendations into 17 categories which are listed below. The number in brackets which follows each category indicates the number or volume of recommendations in that particular area of concern.

- | | |
|---|---|
| - The Approach (5)
(Vol. 1, pp. 39-62) | - Housing (5)
(Vol. 2, pp. 227-238) |
| - The Electoral System (21)
(Vol. 2, pp. 63-92) | - Transportation (9)
(Vol. 2, pp. 239-256) |
| - Local Decision-Making and
Administration (8)
(Vol. 2, pp. 93-114) | - Physical Services (5)
(Vol. 2, pp. 257-273) |
| - The Citizen and Local Government (2)
(Vol. 2, pp. 115-122) | - Public Protective Services (9)
(Vol. 2, pp. 274-289) |
| - Intergovernmental Relations (3)
(Vol. 2, pp. 123- 133) | - The Human Services System (4)
(Vol. 2 pp. 290-306) |
| - Boundaries (7)
(Vol. 2, pp. 134-162) | - Education (8)
(Vol. 2, pp. 307-338) |
| - Finance (9)
(Vol. 2, pp. 163-206) | - Health (5)
(Vol. 2, pp. 339-353) |
| - Planning (16)
(Vol. 2, pp. 207-226) | - Social Services (6)
(Vol. 2, pp. 354-371) |
| | - Recreation, Libraries and
Culture (4)
(Vol. 2, pp. 372-383) |

In respect to the major issue of boundaries, both internal and external, the Commission's Final Report, in its presentation of arguments and analysis, provides a number of selective insights. For brevity, these may be summarized below:

- That the rigidity of the present external boundary of Metro Toronto is a matter of existing Provincial policy;
- That there was (is) widespread opposition to any expansion of Metro's boundaries;

- That the Regional Municipalities of York, Peel and Durham should be allowed to develop and consolidate before any external boundary changes occur;
- That severe disruption of finances and services would occur to these regional municipalities, and to the area municipalities within them, as a result of any expansion of Metro's present boundaries.

Having established, in its judgement, arguments to retain the present external boundary of Metro Toronto, the Royal Commission then proceeded to devise and present a series of its own criteria in respect to the delineation of new internal municipal boundaries. As an aside at this point, it is unclear, on the basis of available information, as to whether these same criteria were used to assess the present system of municipal boundaries, or even if such an evaluation was ever attempted. Further, it is unclear as to whether the 'new' internal Municipal boundaries were subjected to any evaluation by the Royal Commission prior to their recommendation.

The criteria advanced by the Commission for devising new internal municipal boundaries include the following:

- Boundaries should be aligned along naturally divisive topographic features, such as rivers or creeks, and major man-made linear facilities like hydro rights-of-way, railway tracks, highways and expressways (p. 135);
- Boundaries should allow existing communities to remain intact to preserve neighbourhood and community attachment and commitment (p. 135);
- Transfers of population from one municipality to another should be accompanied by a corresponding transfer of assessment (p. 137); and
- Boundaries should not render unworkable the service areas of permanent physical facilities (p. 140).

As indicated in the Study Approach, Section II, as part of our boundary analysis, each of the above criteria will be scrutinized from the perspectives of overall Borough development, operational and organizational considerations, and municipal finances. Our detailed assessments respecting the proposed new boundaries for North York are presented in the subsequent Section IV.

IV. FINDINGS

IV FINDINGS

4.1 EXTERNAL METRO TORONTO BOUNDARY

The question of the external boundary for Metropolitan Toronto is important to the issues at hand respecting the recent Royal Commission's recommendations affecting the present boundaries of the Borough of North York.

To begin, a brief review of previous attention to Metro Toronto's external boundary may be in order. First, in 1953, the Cumming Report⁽¹⁾ in recommending the new boundaries for Metropolitan Toronto, which are now Metro's present boundaries deemed them to be "...a temporary boundary only." In the Cumming Report, the Ontario Municipal Board, and subsequently the Government of Ontario, recognized the need for regional planning and the requirements for the future of Metro Toronto in the enactment of The Municipality of Metropolitan Toronto Act, R.S.O., 1953.

From the completion of the draft Metro Toronto Official Plan in 1963, it was clear that there was continuous pressure for metropolitan expansion primarily to the "western fringe" municipalities.⁽²⁾

Following the passage of 10 years, and further expansion of Metropolitan growth, by Executive Order-in-Council⁽³⁾, H. Carl Goldenberg was designated as The Royal Commission on Metropolitan Toronto in 1963. Specifically, his Terms of Reference were, among others,

(1) O.M.B. decision of January 20, 1953.

(2) Township of Toronto (Mississauga) and Towns of Port Credit and Streetsville.

(3) OC - 1864/63, 20 June, 1963.

..."(1) to inquire into and report upon,

- (c) the boundaries of the metropolitan area and of the area municipalities and their suitability..., with due regard to probable future urban growth within or beyond the present metropolitan limits and future service requirements,....."

In pursuing his mandate, and in particular item (1)(c) above, Goldenberg recognized the growing interdependence of the then Metro, which has essentially the same area as present day (1977) Metro,..."with...the south-western section of Pickering Township, in the east, to and beyond the outer limits of Toronto Township, in the west, and in a northerly direction,....to the outer limits of Richmond Hill." (p. 166). As a result, Goldenberg felt, in 1965, that the suggestion of extending Metro's boundaries to include all or some of the fringe municipalities had some merit in regard to certain areas. He also cautioned that while a boundary extension did have some appeal, it also posed a number of problems, in particular (in 1965), the presence of large areas for development within Metro, the need for renewal and/or redevelopment of its older parts and the (then) predominantly rural nature of development in the fringe municipalities. This, combined with Goldenberg's observation that the development pattern (has) been relatively well controlled, due to the ability of the (then) Metropolitan Planning Board and the Province to withstand development pressures, led him to the conclusion that "...continued orderly development appear(ed) possible without extending Metro's northern boundaries at (that) time." (p. 167). Goldenberg then stated that there was a need for the adoption and implementation of a Metro Official Plan which would serve to delineate the limits of urban development and project a desirable rate of growth for the determination of urban services. Goldenberg then recommended

the Province should give consideration to the position and function of the (then) counties and to municipal reorganization in the fringe areas, including the possible creation of a smaller "Metro" on the western fringe (3.i., p. 202). At the same time, he recommended that a Metropolitan Official Plan be adopted without undue delay (4.i., p. 202.).

Following completion of the Goldenberg Commission's Final Report in June, 1965, the Government of Ontario, enacted Bill 81, The Metropolitan Toronto Act, 1967, which implemented a number of his major principles and recommendations including the establishment of most of Metro's present external boundary. In the ensuing years, there was considerable activity in the area of local government reviews, including the Peel and Halton studies, which eventually gave rise to regional governments in these areas.

In other changes, Metro's external boundary was extended eastward to the Rouge River in 1973, and southward to the international boundary in Lake Ontario in 1976. The latter was intended to ensure municipal jurisdiction in land fill sites along the lakeshore.

The above is intended to demonstrate that over its 21 year history, both prior to and during the recent Commission's engagement, the issue of Metro's external boundary has been subjected not only to intensive review, but even to change. The question of the external boundary and its outcome in respect to the 1974 Royal Commission are presented later in Section 5.1 of this report.

4.2 INTERNAL AREA BOUNDARIES: ANALYSIS AND IMPACTS

In this section we address the critical issue of internal area boundary analysis and the impacts due to the Royal Commission's recommendation for major boundary change. We look specifically to analyze not only the present boundary of the Borough of North York in comparison to the Royal Commission's recommended boundary, but as well to the boundary defined by the earlier Goldenberg Royal Commission of 1965. We will review, in turn, particular attributes of each boundary such as its length, enclosed area and population level, it's conformity to natural topographic and man-made features, and as well the boundary's observance of existing community structures and the degree to which the boundary intersects particular land uses within the municipality. Beyond the linear analysis and perhaps more importantly, we will attempt to portray in further sub-sections the 'effects' of the proposed boundary on the area and activities de-limited by it. It should be noted herein, because of our emphasis on the comparison between the present Borough boundary and that proposed by the Royal Commission, in order to maximize our efforts, we did not conduct a parallel evaluation of the 'effects' created by the Goldenberg boundary. Our findings in respect to boundary effects will be presented by way of our three evaluation perspectives of community development, operational/ organizational impacts, and municipal finances. As well, toward the end of this section, we will attempt to portray the views, concerns and perceptions of Borough residents toward perspective municipal boundary changes as obtained in the course of a social survey.

4.2.1 General Boundary Analysis

In respect to our general analysis of the features and characteristics of the three alternative boundaries, a number of salient findings may be extracted.

First, in respect to general boundary features like total length and enclosed area, both the Goldenberg boundary and the present boundary are to all intents the same. The major departure occurs in comparison with the 'new' Borough boundary which represents a reduction in overall length from 46.0 miles to 37.0 miles and an area reduction from 43,595 acres to 32,130 acres, or 26.6%. The population contained by the various boundaries are: 558,067 for the present Borough boundary; 417,541 for the new Borough boundary; and 601,300 persons for the Goldenberg boundary updated to 1976 levels. The difference between the existing boundary and that proposed by the Royal Commission represents a net reduction of 140,526 persons or -25%.

In terms of the respective boundaries conforming to natural, topographic and/or man-made features, the Goldenberg boundary at 13.08 miles has the longest overall length related to natural topographic features, while the Robart's boundary has the highest measure of conformity to man-made features at 29.62 miles. In terms of deviations from either natural or man-made features, the Goldenberg boundary is the highest at 14.40 miles, while the Commission's new boundary is the lowest with 0.0 miles.

EXHIBIT - 2

NORTH YORK INTERNAL BOUNDARY ANALYSIS (1)

Boundary Factor	Goldenberg (1965)	Present Borough (1977)	New Borough (1977)
1. Total Length:	45.5 miles (100.0%)	46.0 mi. (100.0%)	37.0 mi. (100.0%)
2. Enclosed Area:	44,224 ac. (100.0%)	43,595 ac. (100.0%)	32,130 ac. (100.0%)
3. Population:	601,300 (5)	588,000 (100.0%)	417,000 (100.0%)
4. Conformity: - natural topographic - man-made(2)	13.08 mi. (28.7%) 18.02 mi. (39.6%)	10.88 mi. (23.7%) 21.28 mi. (46.3%)	7.38 mi. (19.9%) 29.62 mi. (80.1%)
5. Deviation:	14.40 mi. (31.6%)	13.84 mi. (30.0%)	-- --
6. Retention of Community Structures	45.5 mi. (100.0%)	46.0 mi. (100.0%)	35.96 ⁽⁴⁾ (97.0%)
7. Land Use Incidence: - Residential - Industrial - Park/Open Space - Commercial - Institutional - Transportation and Utilities - Other(3)	16.4 mi. (35.8%) 6.8 mi. (14.9%) 14.2 mi. (31.2%) 1.5 mi. (3.3%) 2.6 mi. (5.7%) 2.2 mi. (4.8%) 1.8 mi. (4.2%)	18.0 mi. (39.1%) 7.8 mi. (17.0%) 12.0 mi. (26.1%) 1.5 mi. (3.3%) 2.6 mi. (5.6%) 2.2 mi. (4.8%) 1.9 mi. (4.1%)	16.0 mi. (43.2%) 5.8 mi. (15.7%) 8.4 mi. (22.7%) 1.5 mi. (4.1%) 2.4 mi. (6.5%) 0.4 mi. (1.1%) 2.5 mi. (6.7%)
8. - Totals	45.5 mi. (100.0%)	46.0 mi. (100.0%)	37.0 mi. (100.0%)

(1) All measurements are approximate and based on map analysis.
(2) Man-made includes highways, railways, internal roads, hydro rights-of-way, and neighbourhoods.
(3) Other includes penetration of residential or industrial areas.
(4) Proposed boundary cuts through Orchard Grove, Ridley and St. John's neighbourhoods.
(5) Up-dated using 1976 population data.

In respect to recognition of community structures, which we define as the measured lengths of the three respective boundaries which dissect or cut across known or identified community boundaries, all three boundaries are high. That part of the proposed boundary along York Mills area which cuts through Orchard Grove, Ridley, and St. John's neighbourhoods slightly reduces its effectiveness to 97.0%.

In terms of boundary incidence to various land uses, residential land use is highest with 43.2% of the proposed boundary compared to 35.8% for the Goldenberg boundary which is the lowest. On the other hand, in terms of industrial land use, the present Borough boundary is highest at 17.0% with the Goldenberg boundary lowest at 14.9%. Park and open space uses are touched or intersected highest with the Goldenberg boundary at 31.2% and lowest with the proposed boundary at 22.7%. The incidence with commercial, institutional, transportation and utility uses, and other smaller land uses such as intersecting roads, small park and school properties and small commercial areas shows no major departures either in respect to use or to the choice of boundary.

For further and more detailed information reference should be made to Exhibit 2.

4.2.2 Community Development

In this section we will present our analyses of the immediate and future impacts in the planning and development functions of North York due to the boundary changes. We will portray these in the form of compositive analyses of community and population structure,

activity patterns such as employment and retail shopping, and land use. Particular emphasis here will be placed on present community structures and uses versus the rate, location and nature of the potential or prescribed (official plan) development in the present and 'new' boroughs including that part of the Borough of Scarborough. A supportive section, which views both the present and 'new' situation, independently and in more detail may be found in Volume 2 of our Final report. The 'key' findings will be extracted from this analysis and presented later in Section 4.3, Synthesis of Boundary Analyses.

The restructuring of municipal boundaries as proposed by the Royal Commission, results in a considerable reduction in the area of the Borough of North York (-26.1%) as indicated in Section 4.2.1. In turn, this results in a considerable reduction in every aspect of community development which we have reviewed during our study process. While it is not possible, in the time permitted, to separate out all the intricacies and inter-dependencies which are so much a part of modern urban systems and community development, particularly in a major metropolitan area, it is our view that some of the changes, or reductions are generally proportionate to either the reduction in area or in population, depending upon the particular factor at hand. These we will note in the subsequent parts of this section and in the supportive statistical and/or graphic exhibits.

More importantly, at least to the short-term prospects of the 'new' North York, are those relationships which by virtue of boundary changes now become imbalanced or at least are rendered less efficient

or undesirable. These non-optional factors or anomalies will now be brought to light, highlighted and dimensioned.

Employment

Beginning with employment, there is an overall reduction of 39.8% in total jobs from 243,679 in the present borough to 146,637 in the new borough including 2,725 jobs from the Borough of Scarborough. The composition of the 'new' employment base is essentially similar to that in the existing Borough. The largest absolute and relative shift occurs in factory and warehouse jobs with a decrease of over 49,600 jobs or -42.6%. Although not the largest absolute change, the second greatest relative impact occurs in retail sector jobs. In this category there is a reduction of -40.7% or 11,911 jobs. The smallest relative shift occurs in other jobs which is largely institution-related with a reduction of 16,950 jobs or -33.4%.

The relative importance of employment to overall community development, whether in a single isolated centre or in a highly-diversified or metropolitan setting hardly needs to be emphasized during the current economic situation in Canada. In respect to North York's situation, and while the jobs are not actually lost but transferred to other municipalities, the creation of the 'new' borough gives rise to a reduction in the employment:population ratio from 0.52 to 0.35. This ratio, while not conclusive in its own right, is nonetheless one measure of the relative intensity of employment in a community and is useful for inter-municipal comparisons. Reference should be made to Exhibit 3, Distribution of Job Losses by Type of Employment, for more information.

EXHIBIT 3

DISTRIBUTION OF JOB LOSSES BY TYPE OF EMPLOYMENT⁽¹⁾

EXISTING VS. 'NEW' BOROUGH

	Type of Employment					
	Office	%	Retail	%	Factory/Ware	%
Existing Borough	47,204	(19%)	29,239	(12%)	116,513	(48%)
'New' Borough	28,644	(20%)	17,328	(12%)	66,892	(45%)
Differences:						
Existing vs. 'New' Borough	-18,560	(19%)	-11,911	(12%)	-49,621	(51%)
% Differences	(39.3%)		(-40.7%)		(-42.6%)	
					(-33.4%)	
					-97,042	(18%)
					146,637	(23%)
					243,679	(21%)
					100%	
					100%	

(1) Unless otherwise indicated, the Ontario Ministry of Revenue, 1976.

Population

The overall borough population is reduced by 140,526 persons from 558,067 to 417,541 person in 1976. This represents an overall population loss of -25.2%, which is principally felt by the 20-65 years, or working age group, in absolute terms (87,874 persons), or by the 65+ years age group in relative change (-34.9%). The other age groups are impacted as well but to considerably lesser levels or rates. These changes are portrayed in more detail in Exhibit-4 and in Volume 2, Section 7.1. The major finding to report in respect to population change is that there is between the present borough and the 'new' borough no disproportionate shift or transfer in any age grouping.

Housing

Over 51,000 existing housing units are transferred out of North York to other municipalities as a result of the boundary changes notwithstanding the contribution of over 11,000 units from part of the Borough of Scarborough. This represents an overall reduction of -27.8% in total units.

The greatest changes, both absolute and relative, occur in respect to apartment units with over 27,300 units or 30.8% transferred. The least impacted housing type is town and multi-family with only 1,334 units or 12.0% effected. The latter impact is not so much due to the boundary change as it is to the type's relative small share of the housing inventory in the existing borough, contributing only 11,125 units or 6.0% of over 183,700 total units.

A further important finding is that there is no radical shift in proportionate house types between the present and 'new' boroughs which may have been occasioned by a boundary change. Reference should be made to Exhibit-5 for more detail respecting comparisons of existing housing stocks.

Land Use

Based on available 1971 data and mapping, our comparative analysis of existing land uses indicates that the greatest absolute acreage changes occur in residential, open space, and industrial uses at 5,680 ac.; 1,830 ac.; and 1,688 ac. respectively. While within each of the present and 'new' borough configurations, the basic land use types remain generally proportionate, a few shifts are seen to occur which might require more intensive review when placed against the existing policies' framework of designated uses. This latter concern will be reviewed below in subsequent sections.

With reference to Exhibits-6 and 7 which display both statistically and graphically the two boroughs' land use structures, a few comments should be made. First, some downward shifts occur in the composite shares of residential (43.1% to 40.7%), commercial (3.0% to 2.5%), and industrial (8.6% to 6.4%) uses between the two existing land use structures. These 3 uses constitute absolute losses of 5,680 ac., 500 ac., and 1,600 ac., or relative reductions of -30.2%, -38.2%, and -44.8% respectively.

EXHIBIT 4

1976 POPULATION BY AGE GROUP ⁽¹⁾

PRESENT VS. 'NEW' BOROUGH

Area	0-4	%	5-19	%	20-65	%	65+	%	Totals	%
Present North York	33,888	(6%)	145,418	(26%)	338,123	(61%)	40,638	(7%)	558,067	(100%)
'New' North York	26,084	(6%)	113,138	(27%)	250,249	(60%)	26,461	(6%)	417,541	(100%)
Net Changes	-7,804	(5%)	-32,280	(23%)	-87,874	(62%)	-14,177	(10%)	-140,526	(100%)
% Changes	(-23%)		(-22%)		(-26%)		(-35%)		(-25%)	

(1) Ontario Ministry of Revenue data, 1976.

EXHIBIT 5

COMPARISON 1976 HOUSING STOCK⁽¹⁾

EXISTING VS. 'NEW' BOROUGH

Area	Housing Type						Totals	
	Single/Semi		Townhouse(2)		Apartment		Number	%
	Number	%	Number	%	Number	%		
Existing Borough	83,718	45.6%	11,125	6.0%	88,893	48.4%	183,736	100.0%
'New' Borough	61,271	46.2%	9,791	7.4%	61,544	46.4%	132,606	100.0%
Differences	-22,447	43.9%	-1,334	2.6%	-27,349	53.5%	-51,130	100.0%
(%) Comparisons of 'New' vs. Existing Borough	(-26.8%)		(-12.0%)		(-30.8%)		(-27.8%)	

(1) Unless otherwise noted, all data from the Provincial Ministry of Revenue.
(2) Includes other multiple-family type dwellings as well as townhouses.

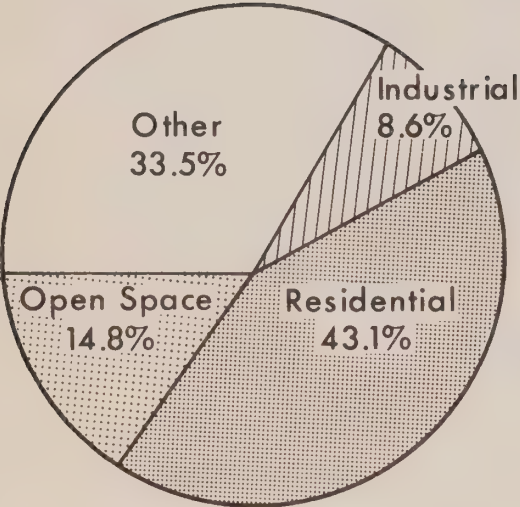
EXHIBIT 6
EXISTING (1971) LAND USE⁽¹⁾
PRESENT VS. 'NEW' BOROUGH

	Residential	Commercial	Industrial	Institutional	Open Space	Trans. and Utilities	Other	Totals
Present North York ⁽²⁾	18,821 (43.1)	1,308 (3.0)	3,768 (8.6)	2,676 (6.1)	6,456 (14.8)	3,700 (8.5)	6,943 (15.9)	43,682 (100.0)
(part) Scarborough	791 (37.9)	40 (2.2)	12 (0.6)	74 (3.9)	69 (3.6)	180 (9.5)	803 (42.3)	1,897 (100.0)
'New' North York	13,141 (40.7)	808 (2.5)	2,080 (6.4)	2,018 (6.2)	4,626 (14.3)	3,123 (9.7)	6,504 (20.1)	32,300 (100.0)
Difference	-5,680 (49.9)	- 500 (4.4)	-1,688 (14.4)	- 658 (4.8)	-1,830 (16.1)	- 577 (5.1)	- 449 (3.9)	-11,382 (100.0)
% Present vs. 'New' Borough	(30.2%)	(-38.2%)	(-44.8%)	(-24.6)	(-28.3%)	(-15.6%)	(-6.5%)	(-26.1%)

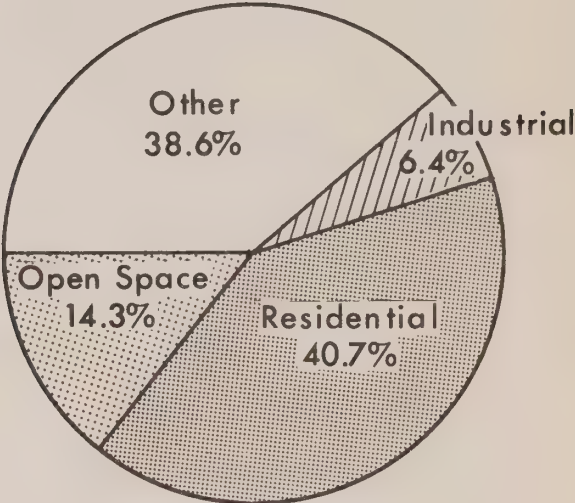
(1) Metropolitan Toronto Planning Department.
(2) Preliminary Impressions of the Urban Structure to 1971; Metropolitan Toronto Planning Board, June, 1974.

EXHIBIT—7

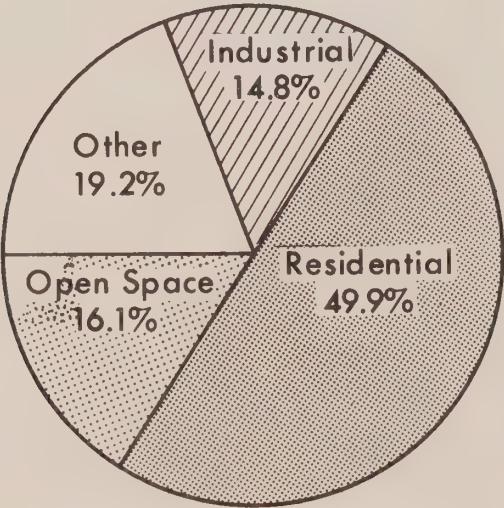
DISTRIBUTION OF EXISTING LAND USES



EXISTING BOROUGH



"NEW" BOROUGH



TRANSFERRED LAND USES

Second, some upward shifts in proportionate shares of existing land uses occur in transportation and utilities (8.5% to 9.7%) and 'other' (15.9% to 20.1%), the latter largely composed of vacant and/or agricultural land in the easterly and north-easterly parts of the 'new' borough. On the other hand, both institutional and open space uses remain relatively constant in terms of their respective shares of the two land use structures. Absolute and relative changes do occur within each individual land use type as indicated earlier.

Moving to designated 'future' land use constructs as contained in the present complement of district and Official Plan policies of North York and that part of Scarborough which forms part of the 'new' North York, a number of important findings must be conveyed.

First, the relative shares of designated official plans' uses between the present and 'new' boroughs remain generally proportionate, especially in regard to residential and industrial types. From the official plan frameworks for the present or 'new' boroughs, a downward shift (-42.0%) occurs in the relative amount of open space use. This would indicate that in terms of official plan designations, open space use is most affected and may have some qualitative as well as quantitative implications which will be reviewed later.

The greatest absolute change in official plan uses, occurs in residential uses at 7,563 ac., although it's proportionate share within the two frameworks is generally stabilized and its relative inter-use loss comparable to the overall reduction in the gross area of

EXHIBIT 8

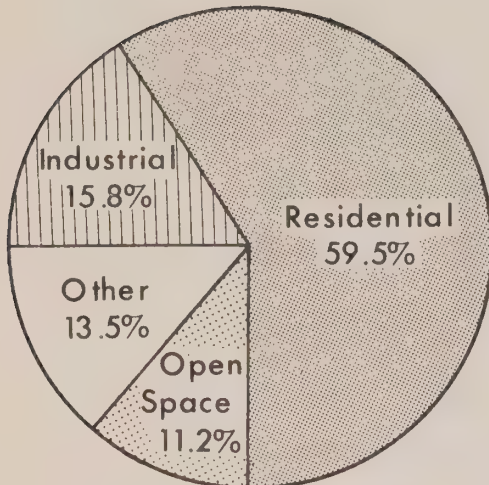
COMPARATIVE ANALYSIS OF DESIGNATED LAND USES⁽¹⁾

PRESENT VS. 'NEW' BOROUGH OF NORTH YORK

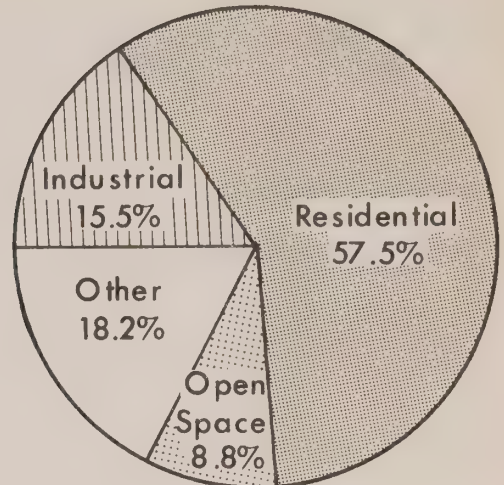
	Residential	Industrial	Open Space	Other	Totals
Present North York ⁽²⁾	26,030	6,885	4,891	5,945	43,751
	59.5	15.8	11.2	13.5	100.0
(part) Scarborough ⁽³⁾	1,412	143	72	233	1,860
	75.9	7.7	3.9	12.5	100.0
'New' North York ⁽⁴⁾	18,467	4,988	2,838	5,837	32,130
	57.5	15.5	8.8	18.2	100.0
Difference: Present vs. 'New' Borough	-7,563 (-29.1%)	-1,897 (-27.6%)	-2,053 (-42.0%)	- 108 (-1.8%)	-11,621 (-26.6%)
	65.1	16.3	17.7	0.9	100.0

- (1) Borough of North York Planning and Development Department and Borough of Scarborough Planning Department.
(2) See Exhibit ___ for more detail.
(3) Borough of Scarborough Planning Board.
(4) Based on boundaries recommended by the Royal Commission and includes (part) Scarborough.
(5) Includes commercial, institutional and transportation and utility uses.

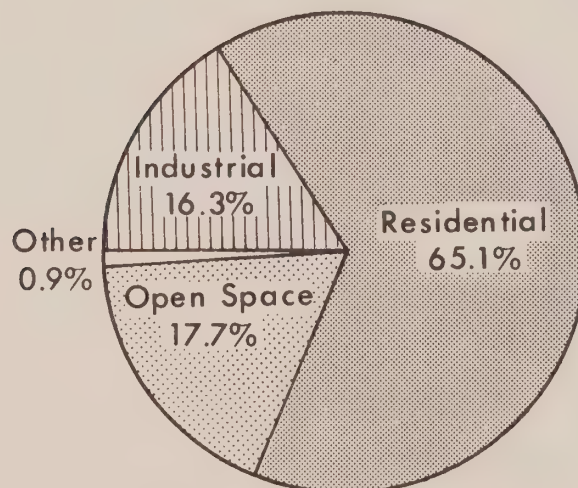
DISTRIBUTION OF DESIGNATED LAND USES



EXISTING BOROUGH



"NEW" BOROUGH



TRANSFERRED LAND USES

the borough. Industrial uses are proportionate in every respect of analysis, while 'other' uses, which include commercial, institutional, transportation and utilities, and vacant/agricultural lands increase their proportionate share within the 'new' borough and are the least impacted within the combined official plan structure.

Up to this point, our land use analysis has dealt separately with existing land uses and with designated official plans' uses of both the present North York and the 'new' borough as recommended by the Royal Commission. In a subsequent section - V. Implications - we will cover the existing land use structure of the 'new' borough with the designated official plan uses of the 'new' borough and from that identify and assess the most likely future community planning and development implications of the proposed boundary changes, and hence the overall desirability of them as recommended.

Retail

The quantitative distribution of retail shopping facilities, in either concentrated nodes or shopping centres, or linear strips is important to overall community development and its general livelihood. Aside from the structural contribution of retail/commercial land uses as part of a community's land use pattern, the spatial distribution of retail floor space is an important representation and dimension to 'market' configurations and their optimality.

EXHIBIT 10

DISTRIBUTION OF RETAIL SHOPPING (1)

PRESENT VS. 'NEW' BOROUGH
(000's Sq. Ft.)

	A. SHOPPING CENTRES		B. ANCILLARY CENTRES		C. STRIP RETAIL		D. TOTALS	
	Square Feet	%	Square Feet	%	Square Feet	%	Square Feet	%
Present Borough:	6,579	(81.7%)	196	(2.4%)	1,281	(15.9%)	8,056	(100.0%)
'New' Borough: (2)	4,560	(85.5%)	196	(3.7%)	579	(10.9%)	5,335	(100.0%)
Differences:	-2,019	(74.2%)	--	(--)	-702	(25.8%)	-2,721	(100.0%)
(%) Difference vs. Present Borough	(-30.7%)		(--)		(-55.3%)		(-33.8%)	

(1) Planning and Development Departments, Borough of North York, and of Scarborough

(2) Including that part of Scarborough which becomes part of the 'new' North York

In terms of total retail floor space, the effect of the boundary change is to produce a reduction of over 2,720,000 sq.ft., or -33.8%. In terms of the spatial distribution of the retail floor space losses, the largest reduction, of 2,019,000 sq.ft. (74.2%) occurs in the retail shopping centre category, no doubt a reflection of the losses of the Yorkdale and Don Mills Shopping Centres. Strip retail/commercial constitutes over 700,000 sq.ft. or (25.8%) of the total floor space shift. Relative to the two boroughs, the boundary change also produces a greater shift towards concentration of retail floor space in centres (81.7% to 85.5%) despite the loss of Yorkdale and Don Mills centres, and a collateral decrease in strip commercial activity from 15.9% to 10.9% in the 'new' borough. The within variation of retail floor space between the two boroughs is greatest in the strip retail category at -54.3%, compared to -30.7% for the retail commercial centre, no change to ancillary centre space, or the overall retail variation of -33.8%. Again, the greatest absolute change in retail floor space occurs in the retail centre category. More detail can be found in Exhibit-10 respecting the distribution and changes in retail floor space brought about by the recommended boundary changes.

Another important measure of retail activity is the amount of floor space per capita. In the present borough, the quantity of retail floor space per capita is 14.4 sq. ft. In the 'new' borough, the per capita provision of retail floor space is reduced to 12.8 sq. ft., or a reduction of 11.5% overall. The implications which may arise out of this shift may be seen in terms of changes to retail jobs, business

assessment, convenience of accessibility to shopping facilities, and land use. Reference should be made to Section 5.3 of this report regarding the implications of retail shifts. Additional detailed data and other information respecting retail commercial activity may be found in Section 7.1 of the accompanying Volume 2 report.

4.2.3 Operational Analysis

Introduction

This section presents a summary of our findings and analysis of the operational impacts of the proposed Royal Commission boundary changes. For further reference, the detailed results of our survey of Borough Departments are included in Section 7.2.2 of Volume 2 of this report.

The material in this section is organized into four major subsections. The first of these, Section 4.2.3.1, includes an analysis of the impact on Borough of North York operations from the point of view of the proposed new Borough. This section shows the changes in operating characteristics and costs which would occur and the related impacts of the losses in resources and physical assets to other area municipalities.

The second subsection 4.2.3.2, describes the impact on the residents in those area which would be transferred out of North York to a new municipality.

The third subsection 4.2.3.3 presents an assessment of the Royal Commissions boundary recommendations as they relate to the operational impacts described in the previous two sections.

The final subsection includes a discussion of some of the broader implications of the operational analysis.

4.2.3.1 Impact on Borough of North York Operations

As indicated in our preliminary report, as part of our operational analysis, we developed a list of specific operating and related organizational characteristics which would be affected by the proposed boundary changes.⁽¹⁾ Below, we set out the results of our analysis for each of these characteristics. Following this, we show a summary of the resulting cost impacts on the Borough's 1977 Current Budget and the transitional costs which would be incurred.

Operating Service Areas and Facilities

The four major operating departments - Fire, Parks and Recreation, Public Works and Health - would experience major impacts on their current distribution of local operating service areas and facilities. These are described as follows:

(i) Fire Department

The Fire Department would lose four out of its twelve fire stations as well as the Department's fire training centre which would be taken over by East York. These stations presently serve part of the area which would be retained by North York. The loss of these centres would necessitate a long-term re-evaluation of fire protection services in North York. As a minimum requirement to maintain adequate fire protection in the Borough, one new fire station would have to be constructed to serve the expanded north-east portion of the Borough and Fire Station No.6 at the intersection of Bayview Avenue and York Mills Road would have to be relocated further to the north in order to serve the area to the south of Highway 401 in the proposed new Borough. In addition, a new fire training centre for the Department staff would be required, since the existing centre would be lost to East York. The total cost of these new facilities would be in the order of \$1,874,000 to \$2,124,000.

(1) Woods, Gordon & Co., Preliminary Report, Section D.2.1, page 28.

(ii) Parks and Recreation Departments

The Parks and Recreation Department would lose two of its five service yards and its Arborist's service building. While no replacement yards would be required, the Arborist's facility would have to be relocated to the north of Highway 401 at an estimated cost of \$400,000.

(iii) Public Works Department

The Public Works Department would lose two out of its six works yards. While some redistribution of the service areas of the four remaining yards would be necessary, no new yards would be required. However, the Oriole Yard building would have to be expanded by six vehicle bays to accommodate additional vehicles and other service equipment to service a larger area. This increase area would include the area transferred from Scarborough and the area to the south of Highway 401 presently serviced by the Bermondsey Yard. The estimated cost of expanding the Oriole Yard facilities is \$75,000.

(iv) Health Department

The Health Department would lose four facilities which are presently used for various programmes. However, none of these losses would have a significant impact on the delivery of health services in the residual part of North York.

In terms of the local service areas of these four departments, a redistribution of areas served and some reorganization and redeployment of staff and equipment would be required. None of the anticipated changes would have an adverse impact on operations of these departments once the necessary reorganization is completed. However, the implementation of these changes would cause some disruption of

normal Department business and would require a certain amount of management and administrative time and cost.⁽¹⁾

The remaining Borough Departments would not be affected from an operating facilities point of view, since they do not operate facilities in the areas which would be lost. However, many of these departments assign their staff on a local area basis and these assignments would have to be readjusted to reflect the new boundaries. These changes would require significant amounts of management and administrative time and costs in the Building, By-Law Enforcement and Licensing, Planning and Development and Traffic Departments.

Provision of Services

(i) Parks and Recreation Department

The Parks and Recreation Department would experience the most significant impact in terms of its ability to serve residents in the new Borough of North York.

This Department would lose a higher proportion of its facilities and parklands than the reduction in population which would accompany these losses. For example, although the loss in Borough population would be 25.06%, North York would experience a net loss of 609 acres or 34.1% of its existing parkland, 6 out of 9 or 66.7% of its Community centres and 6 out of 18 or 33.3% of its arenas. These higher than proportional losses would prevail for virtually all types of parks and recreation facilities in North York.

The estimated market value of the losses in parklands is \$56,000,000.⁽²⁾ This figure includes a loss of \$29,000,000 to the Borough of York, \$22,000,000 to East York and \$5,000,000 to the City of Toronto.

-
- (1) At various points in this section, reference is made to management and administrative time and costs for implementation of the proposed boundary changes. We found, that, on an item by item basis, this time and cost was impossible to estimate with any degree of accuracy. As a result, we have "lumped" all anticipated time and costs of this type into one group and have developed an approximate estimate of the total cost involved. This estimate amounts to a range of \$200,000 to \$500,000 and is included in Exhibit 16.
- (2) The total acreage involved would be approximately 770 acres which includes some 696 acres of parklands with the remaining acreage consisting of works yards and surplus lands.

These losses in parks and recreation facilities are more critical than the figures suggest when considering their usage patterns. Our analysis of the usage of parks and recreation facilities⁽¹⁾ south of Highway 401 shows an anomaly in usage patterns in that individual residents, organized community groups, sports organizations and other social groups from the north of Highway 401 depend on the availability of these facilities for their use. As a result, the proposed boundary changes would cut these facilities off from many of the residents which they presently service.

While it may be possible for North York and the other municipalities involved to negotiate agreements to share the usage and cost of parks and recreation facilities, this could only be considered a short-term solution to the problem since each municipality would endeavour to serve only its own residents using its own facilities within its borders.

Based on the losses in facilities outlined above and the need to serve an additional 31,705 residents from Scarborough, North York would need to build replacement facilities within its new boundaries. These would consist of two community centres at a cost of between \$2,000,000 and \$2,250,000, one arena at a cost of \$900,000, one indoor swimming pool at a cost of \$600,000 and upgraded outdoor baseball and soccer facilities at a cost of \$200,000 to \$250,000. The total cost of these new facilities is \$3,700,000 to \$4,000,000.⁽²⁾

Naturally, it would be two or three years before these new facilities could be built and put in operation. In the meantime, unless North York residents and organizations north of Highway 401 could continue using the facilities transferred out of North York, these groups would experience severe cutbacks in the services presently available to them. While the exact number of organizations involved is not known, it is estimated that more than 100 groups would be affected. The continued viability and existence of many of these groups would be doubtful under circumstances where insufficient facility time and services are available.

As far as parkland is concerned, in order for North York to maintain its present ratio of acres of parkland to population in the new Borough, the cost of acquiring new parkland is estimated to be \$11,735,000.⁽³⁾

(1) Presented in Volume 2, Section 7.2.

(2) This excludes the cost of land since it is assumed these facilities would be built on existing Borough-owned property.

(3) Based on an acquisition of 161 acres at an average cost of \$72,887 per acre. This latter cost is the average market value per acre of Borough-owned property lost to other municipalities.

It is important to note that one group of communities would be particularly affected. These are the communities located adjacent to the proposed boundary of Wilson Avenue, York Mills Road, Parkwoods Village Drive and Ellesmere Avenue. Since this is not a natural or major man-made dividing line, there is considerable interaction of community groups and parks and recreational facilities on both sides of this proposed boundary. Facilities cut-off from their service areas include York Mills Arena, York Mills Park and the York Mills swimming pool.(1)

(ii) Public Works Department

The proposed boundary changes would not affect the level of services presently provided by the Public Works Department within North York with two exceptions. These include sewers (sanitary and storm) and water distribution.

The existing sewer systems in North York would become shared services with the City of Toronto, East York and Scarborough along those portions of the proposed boundary which would separate these municipalities and North York. Because of existing drainage patterns, it would not be practical to construct separate systems along these borders. Therefore, the maintenance and control over changes to these systems would have to be shared by the municipalities concerned. This would have a delaying affect on the speed with which repairs and changes could be made and would also be a time-consuming and costly effort for Public Works Department staff.

More significant is the impact on the existing watermain system along the same stretches of the proposed boundary mentioned above. Present Borough control over water rates could not be maintained without the addition of a new 12-inch watermain to separate the water distribution systems along these boundaries. Including appropriate valves and meters (as well as meters to monitor the flow of water across the new Highway 201 boundary) the estimated cost of installing these services is \$3,550,000.(2)

(iii) Remaining Departments

Services provided in the new Borough would not be significantly affected with the exception of the Fire Department which would have difficulty in servicing the north-eastern

(1) For a map showing North York Parks and Recreation facilities refer to Volume 2, Section 7.2.

(2) Excludes the cost of easements which may be required.

EXHIBIT 11

SUMMARY OF DEPARTMENTAL STAFF REDUCTIONS
DUE TO THE ROYAL COMMISSION BOUNDARY PROPOSALS

Department	Staff Category (1)											
	Management and Supervisory				Technical Services				Administrative Services			
	Current	Revised	Decrease	% Decrease	Current	Revised	Decrease	% Decrease	Current	Revised	Decrease	% Decrease
Public Works	72	54	18	25.0	58	42	16	27.6	33	31	2	6.1
Fire	145	112	33	22.8	-	-	-	-	3	3	-	-
Parks & Recreation	64	55	9	14.1	2	2	-	-	27	24	3	11.1
Health	19	18	1	5.3	249	191	58	23.3	22	20	2	9.1
Treasury	19	19	-	-	11	11	-	-	83	81	2	2.4
Building	8	8	-	-	63	57	6	9.5	12	12	-	-
Clerks	10	10	-	-	-	-	-	-	45	45	-	-
Traffic	10	10	-	-	10	9	1	10.0	8	8	-	-
Planning & Development	3	3	-	-	24	24	-	-	9	9	-	-
License & By-Law Enforcement	3	3	-	-	5	5	-	-	4	4	-	-
Legal	2	2	-	-	4	4	-	-	4	4	-	-
Personnel	2	2	-	-	3	3	-	-	4	4	-	-
Real Estate	2	2	-	-	2	2	-	-	4	4	-	-
Totals (2)	359	298	61	17.0	431	350	81	18.8	258	249	9	3.5
									1,269	908	361	28.4
									2,317	1,805	512	22.1

(1) Departmental staff have been classified into broad "types" or categories according to their primary role or function. The staff types used are described as follows:

- (i) Management and Supervisory - Includes staff from the level of Commissioner down to and including Foreman.
- (ii) Technical Services - Includes all technical and professional positions such as lawyers, engineers, draftsmen, planners, inspectors, etc.
- (iii) Administrative Services - Includes secretaries, clerks, typists, accounting staff and other general office staff.
- (iv) General Services - Includes all "outside" non-management staff and other staff not included in the above three categories.

(2) (i) These totals exclude the North York Public Library which would have a reduction of some 111 staff; (ii) also excluded are elected officials of the Borough.

Source: Personnel Department Permanent Establishment as of July 8, 1977.

part of the Borough including the new areas received from Scarborough. As mentioned previously, a new fire station would need to be constructed to service this area. Until such time as this station can be built, North York would require some backup fire protection service from Scarborough.

Services in the remaining Borough Departments would not be adversely affected with the exception of the transitional period. During this period, the regular Borough business of these Departments would fall behind schedule or overtime costs would be incurred in cases where staff are required to spent considerable amounts of time on implementation of the new boundaries.

Once the transitional period is completed, service levels in some Departments would actually improve due to the higher ratio of Departmental staff to Borough population.

Staffing Levels

As would be expected, the proposed Royal Commission boundary changes would result in a significant decrease in Borough of North York municipal staff. However, reductions in staff would not take place in direct proportion to the transfer of population of 25.06%. Rather, the staff reductions would be based on the reduction in workload for the various Borough Departments. Our analysis revealed that the workload in many cases is more closely related to factors other than population (or assessment). These include such factors as the number, size and type of facilities to operate, the number of miles of road to maintain, the number of outstanding and pending building permits, the number of employees on payroll, etc.

As has been the case with amalgamations of municipalities in the past, the transfer of staff would have a double-sided effect - on the Borough of North York and on the staff themselves.

(i) Impact of Staff Transfers on Borough Operations

Exhibit 11 shows a distribution of the net transfer of staff which would take place.

As can be seen from Exhibit 11, Borough staff have been classified according to four broad categories - Management and Supervisory, Technical Services, Administrative Services and General Services. (These categories are based on the classifications or job titles used by the Borough for each permanent position and are explained in footnote (1) in the Exhibit.)

Exhibit 11 shows total staff reductions of 61 or 17.0% of Management and Supervisory staff, 81 or 18.8% of Technical Services staff, 9 or 3.5% of Administrative Services staff and 361 or 28.4% of General Services staff for a total Borough-wide reduction of 512 or 22.1% of the existing staff. This percentage is somewhat less than the 25.06% transfer in population projected by the Royal Commission.

There are a number of important factors which should be kept in mind when considering the staff reductions shown in Exhibit 11. These are as follows:

- The figures shown are the net reductions which would occur. The actual number of staff transferred would be higher by virtue of the number of staff which would transfer from Scarborough to North York. (The Borough of Scarborough was unable to provide us with an estimate of the number of staff involved.) As mentioned in our preliminary report, the transfer of staff could be minimized if Scarborough transferred its staff directly to East York instead of a two-way transfer of staff from Scarborough to North York and then from North York to East York.
- The only Department with a staff reduction in excess of the 25.06% population figure is Parks and Recreation with a figure of 144 or 35.0%. This reduction is due to the higher than proportional losses in Parks and Recreation facilities described earlier in this section.

- A breakdown of the total reduction in staff by category shows the following:

	<u>Number</u>	<u>Percent of Total</u>
Management and Supervisory	61	11.9
Technical Services	81	15.8
Administrative Services	9	1.8
General Services	<u>361</u>	<u>70.5</u>
Total	<u>512</u>	<u>100.0</u>

These figures show 70.5% of the reduction taking place among General Services staff and a total of 88.1% among non-management staff. There are two implications to note - first, that most of the reduction would occur in the lower salary and wage groups which means the reduction in salary wage and benefit costs would be less than the 22.1% transfer in staff, and second, the other municipalities would receive a low proportion of highly specialized technical and management staff.

- In some cases North York would need to retrain some of its existing staff to replace the lost skills and experience.

(ii) Impact on Employees Transferred

As mentioned in the Royal Commission report,⁽¹⁾ the bargaining rights, salaries and benefits of employees transferred should be protected as far as possible. Further in this regard, we have examined a number of related issues to determine how North York employees would be affected. These are discussed below as follows:

- Rates of Pay:

Significant differences in rates of pay between municipalities do not exist for the major labour groups affected. There would, however, be minor differences which would lead to some disputes.

⁽¹⁾ Royal Commission Report, Volume 2, page 157.

- Pensions, Sick Pay Credits,
Vacations and Other Benefits:

Due to variations in labour agreements and local municipal policies, if the Royal Commission boundary recommendations are accepted by the Province, the implementing legislation would need to protect all benefits which have accrued by employees from their present employers.

- Promotions:

The legislation would also have to ensure that the transferring employees would have equal opportunities with existing staff for promotion with their new employers.

- Job Duties and Responsibilities:

It would be difficult and perhaps not practical for the new employers to guarantee the same job duties and responsibilities or job location to transferring employees. As a result, many North York employees may be moved to new jobs or surroundings. This would have a disruptive effect on the staff, although it is impossible to say if their job situations would improve or deteriorate.

Organizational Structure

Our analysis indicates that there would be no significant changes to the formal organizational structure of any Borough Departments. For the major Departments - Fire, Public Works, Parks and Recreation and Health - the number of local operating units or groups would simply decrease, without the need to undergo a major reorganization of the remaining groups or functions. In fact, reorganization of the senior, middle management and centralized technical and service groups would be inappropriate to the needs of the organization since changes in the role and range of services provided by these groups could not be made without affecting the level of service.

EXHIBIT 12

IMPACT OF THE STAFF REDUCTIONS ON THE
DISTRIBUTION OF STAFF BY CATEGORY

<u>Category</u>	<u>Current Distribution</u>		<u>Revised Distribution</u>	
	<u>Number</u>	<u>Percent of Total</u>	<u>Number</u>	<u>Percent of Total (%)</u>
Management and Supervisory	359	15.5	298	16.5
Technical Services	431	18.6	350	19.4
Administrative Services	258	11.1	249	13.8
General Services	<u>1,269</u>	<u>54.8</u>	<u>908</u>	<u>50.3</u>
Totals	<u>2,317</u>	<u>100.0</u>	<u>1,805</u>	<u>100.0</u>

Because of the lack of impact on the organizational structure itself, the proposed boundary changes would have an affect on organizational efficiency. Exhibit 12 shows the impact of the anticipated staff reductions on the distribution of staff in the remaining organization. This Exhibit shows that increases in the ratio or percentage of staff in the Management and Supervisory, Technical Services and Administrative Services categories would occur while the percentage of General Services staff would fall. The impacts of these changes would be as follows:

- the efficiency with which staff in the first three groups are allocated and utilized would decrease. This would likely be accompanied by an increase in the level of service provided to the Borough's residents by these groups. However, this would occur at the price of higher unit costs.
- an increase in administrative unit overhead costs would occur.

Equipment Levels

The losses of Borough equipment would primarily occur in the Fire, Public Works, and Parks and Recreation Departments at the localized service facility level. Only equipment which is completely dedicated to the particular service area and facility, being transferred would change hands, and, for this reason, its loss would not have a significant impact on the remaining service areas in these Departments.

A small percentage of Public Works and Parks and Recreation equipment is of a highly specialized nature. Typically, North york has only one or two items of this equipment. (Examples include special hydraulic lift devices, grass cutting and arborist's equipment for tree cutting.) Equipment items of they type would have to be retained

EXHIBIT 13

SUMMARY OF IMPACT OF ROYAL COMMISSION
BOUNDARY PROPOSALS ON 1977 CURRENT BUDGET

REVISIONS TO NET EXPENDITURES
BY DEPARTMENT OR SERVICE

<u>Department or Service</u>	<u>1977 Current Budget (\$)</u>	<u>Revised 1977 Current Budget (\$)</u>	<u>Decrease (\$)</u>	<u>(%)</u>
Building	\$ 67,942	\$ 207,199	\$ (139,257)	-205.0%
By-Law Enforcement and Licensing	228,473	263,473	(35,000)	- 15.3
Clerks	798,045	800,145	(2,100)	- 0.3
Fire	13,394,182	10,276,144	3,118,038	23.3
Health	3,719,095	3,018,923	700,172	18.8
Legal	291,898	291,898	-	-
Parks and Recreation	11,764,024	8,320,557	3,443,476	29.3
Personnel	209,805	209,805	-	-
Planning and Development	809,787	819,787	(10,000)	- 1.2
Public Works	20,049,646	16,250,751	3,798,895	18.9
Real Estate	342,163	346,438	(4,275)	- 1.2
Traffic	2,718,428	2,261,112	457,316	16.8
Parking Fund	19,642	102,637	(82,995)	-196.4
Treasury	1,990,257	1,940,102	50,155	2.5
Municipal Building Maintenance	1,299,705	1,299,705	-	-
Office of the Mayor	133,176	133,176	-	-
Council	274,850	215,700	59,150	21.5
Board of Control	158,471	138,810	19,661	12.4
Aldermen	284,543	312,643	(28,100)	- 5.0
Library Grant	7,561,624	6,282,264	1,279,360	16.9
Hospital Grant	840,000	540,000	300,000	35.7
Other (Gapping)	<u>(728,200)</u>	<u>(575,000)</u>	<u>(153,200)</u>	<u>- 23.9</u>
Totals	<u>\$66,227,556</u>	<u>\$53,456,269</u>	<u>\$12,771,287</u>	<u>19.3%</u>

by the Borough to fulfil their special functions. However, they would be underutilized in the new, smaller Borough with the result that their unit overhead costs would increase.

Revised 1977 Current Budget⁽¹⁾

The cost impact of the proposed Royal Commission boundaries on the current levels of expenditure in North York has been calculated in the form of a Revised Current Budget. This Revised Budget has been determined on the hypothetical basis that the Royal Commission boundaries apply to the Borough of North York in 1977.

It is important to note that the Revised Budget does not include the cost of implementing the boundary proposals nor the transitional costs involved. These costs are presented separately in this section in Exhibit 16.

(i) Revised Current Budget by Department

Exhibit 13 shows a summary of the revisions to net expenditure levels by Department or Service.

As can be seen from the totals in Exhibit 13, the current level of net expenditures would decrease from \$66,227,556 to \$53,456,269 for a total reduction of \$12,771,287 or 19.3%. This figure is less than proportional to the losses in population (25.06%) and assessment (29.0%) projected by the Royal Commission.

Looking at the individual departmental and service figures there are ten departments and services which show a decrease in net expenditures, four with no change and eight areas where an increase would occur.

(1) For detailed 1977 Revised Current Budget information by Department, refer to the respective subsection in Section 7.2.2. of Volume 2.

EXHIBIT 14

SUMMARY OF IMPACT OF ROYAL COMMISSION
BOUNDARY PROPOSALS ON 1977 CURRENT BUDGET

BUDGET REVISIONS BY CLASSIFICATION

	1977 Current Budget (\$)	1977 Revised Current Budget (\$)	Decrease (\$)(%)	
<u>Expenditures</u>				
Salaries, Wages and Employee Benefits	\$43,144,695	\$34,389,429	\$ 8,755,266	20.3%
Materials and Services	17,167,919	13,307,136	3,860,783	22.5
Equipment	424,606	380,298	44,308	10.4
Debt charges	10,402,309	8,634,238	1,768,071	17.0
Capital Expenditures	1,176,645	1,147,010	29,635	2.5
Library Grant(1)	7,561,624	6,282,264	1,279,360	16.9
Hospital Grants	840,000	540,000	300,000	35.7
Municipal Grants	255,490	195,145	60,345	23.6
Other	<u>(1,852,452)</u>	<u>(1,409,177)</u>	<u>(443,275)</u>	<u>-23.9</u>
Total Expenditures	<u>79,120,836</u>	<u>63,466,343</u>	<u>15,654,493</u>	<u>19.8</u>
<u>Revenue</u>				
Licenses and Permits	3,368,149	2,863,359	504,790	15.0
Service Charges	2,823,461	2,071,611	751,850	26.6
Municipal Grants and Subsidies	4,590,236	3,545,572	1,044,664	22.8
Rentals	1,262,418	808,216	454,202	40.0
Other	849,016	721,316	127,700	15.0
Total Revenue	<u>12,893,280</u>	<u>10,010,074</u>	<u>2,883,206</u>	<u>22.4</u>
Net Expenditures	<u>\$66,227,556</u>	<u>\$53,456,269</u>	<u>\$12,771,287</u>	<u>19.3%</u>

(1) Library Grant figures are for net expenditures.

For the ten areas showing a decrease in net expenditures, the decreases range from a low of 2.5% in Treasury to a high of 35.7% in the municipal Hospital Grant. The reductions in the major operating departments - Fire, Health, Parks and Recreation and Public Works - cover a smaller range of between 18.8% and 29.3%. The only department or service showing a higher than proportionate reduction in net expenditures than the 25.06% transfer in population is Parks and Recreation. This reduction - 29.3% - is explained by the higher than proportionate losses in parks and recreation facilities described earlier in this section.

The four areas which do not show a change in net expenditure levels - Legal and Personnel Departments, Municipal Building Maintenance and the Mayor's Office - are highly specialized administrative and professional services whose costs are "fixed" in nature.

The eight remaining areas which show an increase in net expenditures, would experience little or no reduction in total expenditures while at the same time would be faced with significant losses in direct revenues collected through the issuing of licenses and permits, service changes, municipal grants and other sources.

(ii) Revised 1977 Current Budget by Classification

Exhibit-14 shows the revisions to net expenditure levels broken down by expenditure and revenue classification. This Exhibit shows a \$15,654,493 or 19.8% drop in Total Expenditures and a \$2,883,206 or 22.4% decline in Total Revenue.

The lower than proportionate reductions in Total Expenditures (compared to population and assessment transfers) are a reflection of the issues raised earlier in this section in our discussion of operational service areas, facilities, services, staffing levels, etc. There are several important points to be raised in relation to these reductions in Total Expenditures. These are:

- As was anticipated in our analysis of staff reductions earlier in this section, the 20.3% decrease in Salaries, Wages and Benefits is less than the projected 22.1% reduction in staff since most reductions would occur among staff at the lower salary and wage levels.

- The reductions in Debt Charges (17.0%) and Capital Expenditures (2.5%) are not proportional to the population and assessment transfers since expenditures in these categories relate more to the financing arrangements for capital equipment and new projects.
- The Borough's Library Grant to the North York Public Library would decrease by \$1,279,360 or 16.9%. This figure represents the reduction in net expenditures which cannot be financed out of direct library revenues.

The relatively higher losses in Revenue are largely due to two factors:

- the losses in parks and recreation facilities and the associated reductions in Rentals, Service Charges and Licenses and Permits.
- the loss of some 26.7% of the Borough's roads which would be accompanied by a similar such loss in Ministry of Transportation and Communication subsidies and grants to North York.

(iii) Waterworks Division

The revised expenditure levels discussed above, exclude the Waterworks Division. The main reason for isolating Water Works expenditures and revenue from the other Borough operations is to ensure that it is a self-supporting operation with costs being offset by revenue collected from the sale of water.

The existing 1977 Current Budget shows Total Expenditures of \$15,350,427 offset by \$15,261,010 in Revenue to give Net Expenditures of \$89,417. The Revised 1977 Current Budget reflecting the impact of the new boundaries, shows Total Expenditures of \$11,161,270 and Revenue of \$10,434,060 to give Net Expenditures of \$727,210. This represents an increase of \$637,793 in Net Expenditures.

The Borough has two options in financing this deficit - out of surplus funds, or by the collection of additional revenue through an increase in water rates. If the collection of additional revenue were used, the projected sales of \$9,725,625 in the new Borough would have to be raised by 6.6% to finance the \$637,793 increase in deficit. Since the volume of water sales cannot be arbitrarily increased by the Borough, the increase in sales revenue would have to be derived from an increase in water rates in North York. This rate increase would amount to \$4.49 per annum for the average household user.

EXHIBIT 15

SUMMARY OF IMPACT OF ROYAL COMMISSION
BOUNDARY PROPOSALS ON 1977 CURRENT BUDGET

CHANGES IN NET EXPENDITURES
PER CAPITA BY DEPARTMENT OR SERVICE

Department or Service	1977	Revised 1977	Change	
	Current Budget ⁽¹⁾ (\$/Capita)	Current Budget ⁽²⁾ (\$/Capita)	(\$/Capita)	(%)
Building	0.12	0.50	0.38	316.7
By-Law Enforcement & Licensing	0.41	0.63	0.22	53.7
Clerks	1.43	1.91	0.48	33.6
Fire	24.00	24.57	0.57	2.4
Health	6.66	7.22	0.56	8.4
Legal	0.52	0.70	0.18	34.6
Parks and Recreation	21.08	19.90	-1.18	- 5.6
Personnel	0.38	0.50	0.12	31.6
Planning and Development	1.45	1.96	0.51	35.2
Public Works	35.92	38.85	2.93	8.2
Real Estate	0.61	0.83	0.22	36.1
Traffic	4.87	5.41	0.54	11.1
Parking Fund	0.04	0.25	0.21	525.0
Treasury	3.57	4.64	1.07	30.0
Municipal Building Maintenance	2.33	3.11	0.78	33.5
Office of the Mayor	0.24	0.32	0.08	33.3
Council	0.49	0.52	0.03	6.1
Board of Control	0.28	0.33	0.05	17.9
Aldermen	0.51	0.75	0.24	47.1
Library Grant	13.55	15.02	1.47	10.8
Hospital Grant	1.51	1.29	-0.22	-14.6
Other	(1.30)	(1.37)	(0.07)	5.4
Total Net Expenditures				
Per Capita	<u>118.67</u>	<u>127.84</u>	<u>9.17</u>	<u>7.7</u>

(1) Based on the 1976 Borough of North York population of 558,067 as used by the Royal Commission (Volume II, page 142 of the Royal Commission Report.)

(2) Based on the 1976 Borough of North York population of 418,187 as used by the Royal Commission. (Volume II, page 142 of the Royal Commission Report.)

Transitional Costs

(i) Changes in Net Expenditures Per Capita

Exhibit 15 shows the impact of the proposed boundary changes on the Net Expenditures Per Capita by Department or Service.

Exhibit 15, shows that because of losses in present levels of efficiency, Total Net Expenditures Per Capita would increase from \$118.67 to \$127.80 which is an increase of \$9.13 or 7.7% above the present level. Based on the new Borough population of 418,187, this increase would amount to \$3,818,047 on an annual basis.

This increase in per capita net expenditures would continue into future years until such time as population increases and delivery of service adjustments enable the Borough to return to the present levels of efficiency.

(ii) Transitional Implementation Costs

Exhibit 16 presents a summary of the transitional costs of the proposed boundary changes identified during our operational analysis of North York Departments. The costs shown in this Exhibit represent the replacement facilities required to maintain the existing levels of service in the new Borough of North York. Also included are estimates of the annual operating costs for these additional facilities as well as the implementation costs of affecting the transfers of resources and assets and adapting the remaining operations to service the new boundaries.

It is important to emphasize that the transitional costs shown in Exhibit 16 are not included in the revised budget estimates presented earlier in this section.

Because of the many uncertainties with respect to implementation - the method of selection and transfer of staff, equipment and other resources; the establishment of operating and maintenance agreements with other municipalities; the legalities involved; negotiations with the Province re the payment of transitional costs; etc. - the true cost of implementation can only be approximately estimated at this time. However, it is anticipated that the Borough's elected officials, Department Heads, Supervisors and many other technical and administrative staff would devote considerable amounts of their time to this task. We have estimated a broad range of \$225,000 to \$525,000 to cover the costs involved. These are shown as "Other Implementation Costs" in Exhibit 16.

EXHIBIT 16

SUMMARY OF IMPACT OF ROYAL COMMISSION BOUNDARY PROPOSALS

TRANSITIONAL IMPLEMENTATION COSTS

Description	Estimated Cost (S)	Annual Operating Costs ⁽¹⁾ (S)
(i) Replacement and Additional Service Facilities		
Fire Protection		
Construction of a new Fire Station in the north-east part of Borough	512,000	516,000
Relocation of Fire Station No. 6	512,000	-
Construction of a new training centre	500,000 to 750,000	-
Equipment for new Fire Station	350,000	-
Sub-total	1,874,000 to 2,124,000	516,000
Transportation Services		
Addition to existing Oriole Yard facility	75,000	-
Water Distribution Services		
Installation of new watermains, valves and meters on Warden Avenue, Wilson Ave., York Mills Road, Parkwoods Village Drive, Ellesmere Avenue and Highway 401.	3,550,000	39,000
Parks and Recreation		
Relocation of the Arborists Centre to the north of Highway 401	400,000	-
(ii) Replacement and Additional User Facilities		
Recreation and Community Services		
Construction of two new Community Centres	2,000,000 to 2,250,000	200,000
Construction of a new Arena in north-east part of Borough	900,000	65,000
Construction of a new swimming pool in north-east part of Borough	600,000	45,000
Upgrading of existing baseball, and soccer facilities	200,000 to 250,000	-
Sub-total	3,700,000 to 4,000,000	310,000
Total costs for new and expanded facilities	9,599,000 to 10,149,000	865,000
(iii) Other Implementation Costs		
Reorganization, redeployment and retraining of staff and resources		
Transfer of resources to and from the four other municipalities	200,000 to 500,000	-
Transfer of Borough records to and from the four other municipalities	25,000	-
Legal costs	225,000 to 525,000	-
Sub-total		
Total Transitional Costs	9,824,000 to 10,674,000	865,000

(1) Includes only costs not included in Revised 1977 Current Budget.

Our analysis indicates that a lead time of between three to six months would be required to prepare for the boundary changes. A similar period of time would be required after the legislated date of boundary changes before all Departments could be operating normally once again. (Naturally, in cases where new or expanded facilities are involved, this period could last for two or three years.)

North York Hydro Commission

The North York Hydro Commission has prepared a comprehensive report on the impact of the proposed boundary changes on its operations. Based on this information, the recommended boundary changes would have a significant adverse impact on Hydro operations which would result in increased costs to the consumer. These projected cost increases would take two forms. These include:

- An increase in hydro rates of 10%. This would result from a decline in revenues of \$41,000,000 or 39.4% offset by a reduction in costs of only \$35,000,000 or 35.7%. Together, these reductions would result in increased local operating costs per unit sold. For the average consumer who uses about \$240 of electricity per year, the increase in rates would amount to \$24.00 per annum.
- Transitional costs of \$5,000,000 to realign hydro services with the new boundaries.

The above information should be confirmed and expanded upon when the North York Hydro Commission's report is made available.

For detailed information the North York Hydro Commission report should be consulted.

North York Board of Education

The North York Board of Education has completed its report on the impact of the proposed boundary changes.

While it is not necessary to repeat the Board's findings here, it is of importance to note that in financial terms, the Royal Commission boundary proposals would result in an increase in education

costs of \$25.90 per annum for the average taxpayer (\$7,000 assessment). For further information the North York Board of Education's report should be consulted.

4.2.3.2 Impact on Residents Leaving North York

As part of our analysis, we attempted to determine how the levels of service and the associated costs provided to those residents transferring out of North York would be affected. As a result of our analysis, we have reached the conclusion that, with the exception of several isolated cases, it is impossible to predict how costs or service levels for these people would be affected. The reasons for this are as follows:

- There is no officially or otherwise commonly accepted means of measuring and comparing levels of service between municipalities. (The Ministry of Treasury, Economics and Intergovernmental Affairs has been attempting to develop a system to do this, but this work is not completed.)
- Service levels (and hence their related costs) in each municipality are affected by factors of a technical and policy nature. It is not possible to predict what policies the municipalities would adopt after the boundary changes were implemented. This is particularly true for the Boroughs of York and East York who would experience increases in population of 58.81% and 133.82% respectively.⁽¹⁾ The service levels which currently exist in these two Boroughs could change significantly in their new situations.

There are, however, several conclusions which can be made from with respect to service levels. These are:

- the service levels of fixed physical services - roads, sanitary and storm sewers, watermains, etc. would not change significantly since these services would be automatically transferred along with the residents. (The service level could change over the longer run however if the new municipalities adopted operating and maintenance policies different than those of North York.)

(1) Royal Commission Report, Volume 2, Chapter 9, Page 142.

- in the area of public health, there are a number of unique programmes offered by the Borough of North York which are not offered by the two smaller Boroughs of York and East York. Unless these two Boroughs added these programmes to their services, the residents transferring from North York would no longer be entitled to these services. These programmes include a children's dental programme, various nursing programmes for the early identification of developmental and behavioural problems in infants, nursery school and kindergarten children and an audio testing programme for senior citizens.
- as far as fire protection services are concerned, each municipality would need to perform a re-evaluation of their long-term service requirements to determine if additional or relocated fire station facilities are required. (In the short-term the municipalities would have to continue to service their present service areas, even if they become part of another municipality.) It is not anticipated however, that the level of service would decline for those residents transferring to another municipality.
- the new costs of providing services in York and East York cannot be determined by simply adding the transfers in Net Expenditures from North York to the present costs in these municipalities. The reason for this is that the staff transferred from North York would possess limited senior management, technical and administrative expertise. The existing staff of these types in York and East York would need to be increased in size in order to effectively manage and operate the new larger organizations. This could be accomplished only with additional costs which are not presently included in the costs of local government in Metropolitan Toronto. The amount of cost involved is impossible to predict without a detailed review of the organizational needs in these two municipalities. (The City of Toronto would not be in a similar position, however, since its overall size would not change significantly.)

4.2.3.3 Assessment of Royal Commission Boundary Selection Process

Based on our review of the Royal Commission report and our analysis of the operational impact of the proposed boundary changes on North York, we have drawn a number of conclusions regarding these boundaries. These are discussed below as follows:

(i) Operating Service Areas and Facilities

In developing a new set of internal municipal boundaries, the Royal Commission used the following criterion to avoid negative or adverse operational impacts:

"new boundaries should not render unworkable the services areas of permanent physical facilities".(1)

From North York's point of view, transitional costs of \$9,824,000 to \$10,674,000 have been identified.(2) The majority of these costs are related to the following sections of new boundary:

- the proposed southern boundary of North York along Wilson Avenue, York Mills Road, Parkwoods Village Drive and Ellesmere Avenue;
- the proposed eastern boundary of North York along Warden Avenue.

These transitional costs reflect the extent to which the above criterion was not successfully applied to the Borough of North York situation.

(ii) Service Problems and Anomalies

The Royal Commission Report states as one of its objectives in selecting new boundaries, the need to "reduce the anomalies and service problems that exist under the present boundaries".(3) The Report goes on to describe several of these problems - areas within Metro where property owners pay taxes to or receive services from two area municipalities, incompatible land uses and zoning and awkward servicing problems.

Further on, the Commission Report states that "the proposed boundaries eliminate most of the awkward servicing problems that currently exist...".(4) However, the Report does not state whether an investigation was made of the servicing problems created by the recommended boundaries. Our foregoing analysis has shown a number of significant problems of this type would be created in North York. Based on our discussions with the Borough's Department Heads, these problems are much more serious in nature and significant in magnitude than the existing servicing problems.

(1) Royal Commission Report, Volume 2, Chapter 9, page 140.

(2) Excludes additional operating costs as well as the \$5,000,000 in North York Hydro transitional costs identified earlier.

(3) Royal Commission Report, Volume 2, Chapter 9, page 135.

(4) Ibid, Volume 2, Chapter 9, page 155.

Further, there is no evidence to be found that the Commission considered the alternative of implementing minor boundary changes to solve the "awkward" servicing problems referred to in the Commission's Report. The nature of the problems identified certainly indicate that minor changes to existing boundaries could be a viable solution.

(iii) Transfers of Local Government Costs

The Royal Commission Report states that the recommended transfers in population must be accompanied by a corresponding transfer of civic and education employees. "Thus the reorganization should take place without an overall increase in the size of the civil service system in the Metro System." (1)

Our analysis indicates that North York would experience a 22.1% transfer in staff compared to a 25.06% transfer in population for reasons stated earlier. We have also stated that York and East York would need to hire additional management, technical and administrative expertise in order to meet their new organizational demands. This fact, coupled with the fact that the cost per capita of local government services in North York would increase from \$118.67 to \$127.84, leads to the conclusion that, contrary to the Royal Commission's evaluation, the overall size and related cost of the civil service system in Metro Toronto would increase.

(iv) Additional Operational Criteria Not
Used by the Royal Commission

Our review of the Royal Commission report indicates that (i) no analysis was made by the Commission to determine both the transitional and ongoing operational costs of implementing its proposed boundary changes; (ii) no analysis was made of the potential operational benefits which would accrue; and (iii) no cost/benefit analysis was performed on viable alternative sets of boundaries to determine the optimum set for Metro Toronto.

Our analysis has shown that North York would experience a negative overall impact in terms of operating costs and the provision of services. We were unable to uncover any significant operational benefits which would be derived by the Borough from the proposed boundary changes (without an attendant increase in operating costs).

(1) Ibid, Volume 2, Chapter 9, page 157.

From North York's point of view, the retention of its existing boundaries is a more desirable alternative to boundary changes, since the three municipalities to the south of the Borough would benefit at the expense of North York. This conclusion is supported by the data shown in Exhibit 17. This Exhibit presents a summary of the impacts on the municipalities involved of the transfer in net expenditures and taxes levied in 1977.

It can be seen from Exhibit 17, that the transfers in taxes exceed the transfers in net expenditures by \$141,443 in the area which would go to York, by \$498,982 in the area to the City of Toronto and by \$2,001,504 in the area to East York. The total net benefit transferred to these municipalities would be \$2,641,929. This is offset to a limited extent by the transfer into North York of a net benefit of \$131,476 related to the area transferred to North York from Scarborough. These figures combined, show an overall increase in revenue to be raised from other sources in North York of \$2,509,953 or 14.3% in 1977.

4.2.3.4 Summary of Operational Implications

- a) North York would experience an overall per capita increase in the cost of local government services of \$9.17 or 7.7%. Based on a new Borough population of 418,187, this amounts to an annual increase of \$3,818,047. Coupled with the higher than proportionate losses in total assessment in North York, this increase would mean that the Borough would be faced with the necessity of cutting back its present levels of service to reduce costs, or increasing its current tax rates to generate the additional revenue required, or a combination of these two courses of action.

EXHIBIT 17

IMPACT OF TRANSFERS OF NET EXPENDITURES AND TAX LEVIES

	Present North York	To York	To the City of Toronto		To East York	From Scarborough	Proposed North York	Net Change	
								Quantity	Percent
1976 Population	558,067	-70,773	-22,678		-78,134	31,705	418,187	-139,880	-25.1
1977 Net Expenditures (\$)	66,227,556	-6,581,533	-1,665,964		-6,333,929	1,810,139	53,456,269	-12,771,287	-19.3
1977 Tax Levy (\$) (Present Value)	48,638,504	-6,722,976	-2,164,946		-8,335,433	1,942,115	33,357,264	-15,281,240	-31.4
Net Expenditures - Tax Levy (\$) (= Revenue to be raised from other sources)	17,589,052	141,443	498,982		2,001,504	-131,976	20,085,005	2,509,953	14.3

sources:

- 1) 1976 Population figures as per Royal Commission Report, Volume 2, Chapter 9, pages 142 and 158.
- 2) 1977 Tax Levy as per North York's 1977 Final Billing, July 7, 1977, Treasury Department.
- 3) 1977 Net Expenditures as per 1977 Current Budget.

- b) Transitional costs in the area of \$9,824,000 to \$10,674,000 for new facilities and services and \$865,000 in increased annual operating costs have been identified. To the extent that the Province is not willing to pay for these costs, the Borough would have to finance them. If financing of the total amount of these costs was done through municipal tax increases, this would amount to an annual increase in the range of \$11.23 to \$11.79 for the average taxpayer or the equivalent of 1.6 to 1.7 mills.⁽¹⁾
- c) In view of the difficulty in measuring and monitoring the time and costs which would be required by North York staff and elected officials to implement the proposed boundary changes, and the disruption of services which would result during the implementation stage the "true" cost of the Royal Commission boundary recommendations may never be known.

(1) Based on the amortization of the capital costs over 20 years at 9% interest per annum.

4.2.4 Financial Analysis

In this section the financial consequences of manipulating the municipal boundaries are examined. An attempt has been made to identify and indicate the nature and magnitude of the financial impacts due to the proposed area reduction of the Borough.

The analysis focuses separately on the changes to the municipality's tax base and the effect of these changes with regard to the tax burden borne by this resource using present budget levels.

4.2.4.1 Transfers of Population and Assessment

One of the stated objectives of the Royal Commission in connection with the modification of municipal boundaries is that transfers of population from one municipality to another should be accompanied by a corresponding transfer of assessment. This was considered to be important due to the fact that on average a very large portion of the expenditures at the area municipality level are directly financed from the property tax. The Commission states that because of this objective considerable time was devoted to analysing the assessment bases of the current and proposed area municipalities.

In order to undertake this analysis the Commission had the benefit of 1976 population statistics and 1975 market value assessments both of which were broken down into small geographic areas similar to neighbourhood blocks. These data were made available to the Commission by the Ontario Ministry of Revenue, Assessment Division.

The Commission chose to analyse the boundary recommendations using market value assessment only. Recognizing that in the future

market value will constitute the basis for property taxation, we too have used market value assessment made available to us by the Revenue Ministry. However, since the use of market value assessment is not as yet established Provincial policy, we have also done analysis using the currently available figures for the present basis of assessment.

The Commission excluded assessed values for those properties currently tax exempt due to the uncertainty as to how these classes of properties will be treated. Similarly our analysis which follows will not include tax exempt properties. However, the Commission also excluded an allowance for business assessment from its calculations. We will attempt to include such assessment based on the business assessment weighting factors currently in use.

It should be noted that certain slight inconsistencies exist between the market value figures presented here and those used by the Royal Commission. Where these occur, in all instances, the source material was re-examined to verify that the presented figures are not incorrect.

The analysis of the transfer of population and assessment was undertaken under three main headings: shifts in total population to shifts in assessment, changes in the commercial/industrial assessment proportion of total assessment, and a comparison of the municipality's per capita assessment to the Metro-wide average.

Population and Assessment Shifts

The proposed boundaries would decrease the Borough of North York's population by about 25%. The only other borough to lose

population is Scarborough which loses nearly 20% of its population. The other boroughs, such as Etobicoke and Toronto, remain unchanged in terms of population while East York and York dramatically increase by 133% and 59% respectively.

The proposed shifts of residential assessment are in proportion with the losses and gains in population in terms of both market value and present assessment values. The only inconsistency appears to be in the City of Toronto which has no gain in population but which experiences an increase in its residential assessment of 4% and 5% for present assessment values and market values respectively.

In terms of commercial/industrial and business assessment there does not appear to have been any attempt to shift assessment in proportion to changes in population. This is especially true for North York. In this case, 37-38% of North York's commercial and business assessment, both in market value and in present assessment value, has been removed. This is 50% more than is justified by the proposed shifts in population. In comparison, the Borough of Scarborough, which one would expect to lose in the order of 20%, loses only 14-17% of its commercial and business assessment. The municipalities which gain markedly are York and East York. For more detail, reference should be made to Section VII in Volume 2.

Commercial/Residential Assessment Properties

The Royal Commission states that an indication of the tax burden borne by the residential property taxpayers is given by the ratio of the commercial/industrial assessment to residential assessment.

The greater the portion of commercial/industrial assessment to the total assessment, the less the tax burden on the residential property taxpayer.

North York, which already has a ratio below the Metro average, is reduced to the borough with the lowest ratio of commercial/industrial assessment to total assessment in all of Metro. This is true for both market value assessment and for present assessment values. Therefore, as a result of the boundary change, North York residential property taxpayers would have to pay a greater proportion of their municipality's tax burden than other residential property taxpayers in the City of Toronto and the other four boroughs.

Per Capita Assessment

Another indicator which the Royal Commission states is of importance is the per capita assessment of each municipality. This ratio tends to be a good indicator of the ability of municipalities to pay for the services they provide to citizens. The Commission also points out that ideally all the area municipalities in Metro should have the same level of per capita assessment. Under the market value assessment and the present assessment values, North York is either marginally below the average per capita assessment for Metro or almost 10% below that figure with the boundaries it has at present. However, the recommended boundaries would reduce North York's assessment per capita some 5 to 9% below its present level.

Not only does North York lose assessment per capita, it is the only municipality within Metro Toronto to do so as a result of the proposed boundary changes. In comparison, the City of Toronto,

which already is the richest of area municipalities in present value assessment per capita, actually increases its assessment per capita by 1-2%. In market value assessment per capita, the City, while second to Etobicoke, actually increases its market value assessment per capita figure some 3%. Thus it would seem inconsistent to draw on North York's resources while allowing for the City of Toronto to sustain even additional gains.

Therefore, with respect to North York, it would appear that the Royal Commission has failed to observe its own boundary criterion of providing boundaries which ensure that transfers of population from one municipality to another are accompanied by a corresponding transfer of assessment.

4.2.4.2 Impacts on the Taxes and Burden in North York

The Royal Commission does recognize that North York is the borough which loses the most in terms of population and assessment. The Commission assumes that any increases in property taxes due to the boundary realignment will be marginal. However, even the Commission admits that it performed no analysis of the financial impacts on the new area municipalities due to the boundary changes.

There are usually at least three areas that must be considered in any analysis of development impact on property tax dollars. These are the Educational, Metropolitan general and General municipal tax levies and their respective mill rates. Our analysis will be based on the estimated impact on the 1977 mill rates if the boundary changes had occurred in the preceding tax year.

EXHIBIT 18

SUMMARY OF IMPACT OF ROYAL COMMISSION
BOUNDARY PROPOSALS ON 1977 CURRENT BUDGET

REVISIONS TO REVENUE ELEMENTS

	<u>1977 Current Budget</u>	<u>Revised 1977 Current Budget</u>	<u>Decrease</u> <u>(\$)</u> <u>(%)</u>	
Penalty and Interest Income	715,000	495,000	220,000	30.8
Income from Investments	1,750,000	1,207,000	543,000	31.0
Land Transactions	500,000	350,000	150,000	30.0
Taxation - Other Charges	10,250,512	8,044,877	2,205,635	21.5
Taxation - Hospital Levy	746,000	515,000	231,000	31.0
Surplus	3,453,111	2,382,000	1,071,111	31.0
Hospital Surplus	94,000	25,000	69,000	73.4
Taxation - Regular Levy	<u>48,718,933</u>	<u>40,437,392</u>	<u>8,281,541</u>	<u>17.0</u>

Impact on Metro Mill Rate

Although there is no reason to believe that the total 1977 Metro levy would change due to shifting the internal municipal boundaries, there is a difference in the way the levy is allocated to the municipalities. The boundary changes would reduce North York's share of the total Metro levy in proportion to North York's reduction in assessment. Using present assessment values this is a reduction to approximately 16% of the Metro levy from about 24%. However, since the population does not shift by the same amount, North York retains a greater portion of the per capita grants than the portion of the Metro levy for which it remains responsible. It would appear that North York's metro mill rate would be reduced due to the boundary changes by approximately 2%.

Impact on General Municipal Mill Rate

The impact on the local general levy is derived from an analysis of the Borough of North York's projected 1977 Budget estimates with proposed Royal Commission Boundary changes. Each of the departments was reviewed with respect both to their operational costs and transitional costs as a result of the boundary changes, it was felt that this review would provide the best estimate available of the impact on the operating budget.

The amount of revenue to be raised from the tax levy has decreased from \$48.7 million to \$40.4 million as is shown in Exhibit 18. However, the residential mill rate increases some 5.85 mills, or approximately 21%. This is shown in Exhibit 19.

EXHIBIT 19
BOROUGH OF NORTH YORK
ESTIMATED 1977 MILL RATES

<u>METRO MILL RATE</u>	<u>With Present Boundaries</u>	<u>With Proposed Boundaries</u>
North York Proportion of Total Metro Assessment	23.8%	16.32%
1976 North York Population	558,067	417,541
North York Allocation of Metro Levy	\$ 82,375,210	\$ 56,485,859
Per Capita Grants	\$ <u>13,951,675</u>	\$ <u>10,438,525</u>
North York Metro Levy	68,423,535	46,047,334
North York Metro Mill Rate	38.15	37.43
 <u>GENERAL MUNICIPAL MILL RATE</u>		
Tax Levy - Regular	\$ 48,718,933	\$ 40,437,392
Equivalent Assessment	\$1,767,988,961	\$1,210,793,300
Mill Rate	27.55	33.40

Estimated Impact on Taxpayer

The impact on the total 1977 residential mill rate is a significant increase. The estimated total mill rate for North York with the proposed municipal boundaries would increase to 149.45 mills from the old boundary estimate of 144.32 mills. The average taxpayer (\$7,000 of assessment) of the new North York would be required to pay approximately \$36 more than would have had to have been paid if the municipal boundaries had remained unchanged. Reference should be made to Exhibit 19 for more detail respecting the Metro Mill Rate and the General Municipal Mill Rate.

4.2.5 Public Attitudes and Perceptions

Social Survey Methods

As outlined in Section II, Study Approach, a telephone survey was conducted on North York residents during the week of September 29 - October 6, 1977. The questionnaire was developed by a group of specialists from various disciplines and made use of experience obtained from similar work conducted in the past.

In mid-September, a draft of the questionnaire was tested by obtaining responses from a number of respondents in North York. The results were generally in support of the method to be used and led to minor modifications of the questionnaire structure and content. A final questionnaire was prepared and approved by the Borough's Special Committee on Metropolitan Toronto prior to our survey commencing. A sample of over 400 completed interviews was considered sufficient, provided a representative proportion was maintained for major population characteristics such as: ownership/renting of dwelling, location of residence (high, low density) and (potentially affected/non-affected by boundary modifications). In addition, an equal proportion of men/women was attempted in completing the sample.

In general the respondents forming our sample are fairly representative of North York's population in respond to the above characteristics. No serious sampling distortion could be found on the basis of information available.

Exhibit 20 describes the sample along several characteristics. We can observe that the distribution according to sex, ownership of residence, years of residency, residents with children are close to published demographic information.

EXHIBIT - 20

SAMPLE DESCRIPTION

BOROUGH OF NORTH YORK SOCIAL SURVEY

Sample Size	403
Sex of Respondents	
Female	53%
Male	47%
Ownership	
Own	53%
Rent	47%
Years of Residency	
2 years or less	16%
2 - 5 years	19%
5 - 10 years	17%
10 years or more	48%
Homes with/without children	
With children in residence	47%
Without children in residence	53%
Location of Respondents:	
In lower density areas	48%
In higher density areas	52%
In areas possibly affected by recommendations	30%
Area unlikely to be affected by boundary recommendations	70%

Our sampling was determined by ensuring an equal proportion of respondents from higher and lower density areas. Also about a 30/70 ratio was obtained from affected/non-affected areas by proposed boundary recommendations. This proportion, we estimated to be an adequate representation of the actual proportion of dwelling units in North York.

Of interest, our sample mentioned several major daily newspapers (46%) as the most frequently source of information followed by Television (25%). Radio was mentioned less frequently (14%). Other media, including community newspapers, were infrequently mentioned as a source of community information (15% or less).

Opinions Towards Recommended Boundary Modifications

We asked respondents the following question:

"In your opinion would you be in favour or not in favour of boundary modifications?"

<u>Response</u>	<u>%</u>
In favour	13%
Not in favour	49%
Not sure/no opinion	38%

In our survey, we found that for every respondent in favour of the boundary modifications, there were more than three who were not in favour. A sizeable proportion of respondents are not committed about the issue. An examination of other information gathered by the questionnaire indicate that those respondents lack awareness or knowledge of the Royal Commission Report or the boundary issue. This aspect is an important consideration.

EXHIBIT - 21

KNOWLEDGE vs. OPINION OF BOUNDARY ISSUE

BOROUGH OF NORTH YORK SOCIAL SURVEY

OPINION/INFORMED - UNINFORMED		
	<u>INFORMED</u>	<u>UNINFORMED</u>
N =	108	297
In Favour	13%	13%
Not in Favour	70%	41%
Not Sure/No Opinion	17%	46%
Total %:	100%	100%

We estimate that there is about 25% of the North York population which shows a significant awareness or knowledge of the Royal Commission Report or of its recommendations pertaining to boundary modifications. Of that informed group, we estimate that only 50% has detailed knowledge of the recommendations or boundary locations. This well-informed group represents about 12% of our sample. The awareness factor therefore has a significant effect on the answers.

We collected opinions of respondents who declared knowledge of boundary modifications separately from those who did not. The results are shown in Exhibit-21.

We can observe that a large proportion of the first group is not in favour of the boundary modifications. By contrast, the second group contains a larger proportion of non-committal answers and a lesser proportion of respondents not in favour. The proportion in favour remains unchanged.

A detailed examination of responses and tests of significance computed indicate that the uninformed group tends to be predominantly with less than 5 years residence in North York, who rent their dwelling and are living in high density housing.

This group reside equally in areas potentially affected and unaffected by the recommendations on boundary modifications.

Characteristics of Respondent by Opinions

Respondents IN FAVOUR of boundary modifications are predominantly men. When asked to give the main reason for their opinion, about 50% could not give a specific reason. Some 25% of that group mentioned services and local identity as the basis for their opinion.

Respondents NOT IN FAVOUR mentioned a specific reason for their opinion in 75% of cases. The most frequently mentioned reasons were the effects it would have on taxes. The response from this group does not seem related to characteristics such as ownership of residence, children in home, density of housing or being located in areas potentially affected or non-affected by boundary changes. This group, it seems, come from about all segments of the population rather than from a specific element.

Strength of Opinions

An estimate of the strength of opinion can be obtained by examining declared commitment to some action supporting the views expressed. We asked respondents if they intended to take personal or group action, and what form it would take.

Respondents who were NOT IN FAVOUR of boundary modifications intend to take some action in greater proportion than those IN FAVOUR or NOT SURE categories. The predominant form of action would be to write letters and to sign petitions. In cases where action was indicated it involved people concerned by taxes, local identity and opposition to change generally. A smaller portion indicate their action would be part of a group or organization and Ratepayers associations were predominantly mentioned.

We also asked respondents what action they felt needs to be taken by municipal government. Those who were NOT IN FAVOUR would predominantly expect the municipal government to oppose the recommendation

on boundary modifications. Those IN FAVOUR wanted the municipal government to accept the recommendations. The NOT SURE group would favour getting more information on the issue.

General Comment on Recommendations

In our view, an issue of the importance of the Royal Commission on Metropolitan Toronto deserves much greater exposure and a better informed population than what seems to exist presently in the Borough of North York. About 75% of the population did not show any significant awareness of its work. The NOT SURE responses were related to a lack of knowledge or awareness of the Royal Commission on Metropolitan Toronto Report or recommendations.

For more detailed information in respect to the questionnaire and its contents, reference should be made to Volume 2 of our report, Section 7.4 where a sample questionnaire may be found. Copies of the computer printouts of the survey tabulations and cross-tabulations have been filed with the Borough Clerk's Department for additional information or review.

4.3 SYNTHESIS OF BOUNDARY ANALYSES

In this section, we will attempt to bring together our various analyses respecting the potential impacts of boundary changes in terms of community development constraints and opportunities, municipal expenditures as seen through the Borough's departmental and operational requirements, and financial impact as measured in prospective changes to municipal tax burden.

Regarding the general boundary analysis, the Commission's first criterion of boundaries following either naturally divisive topographic features or major man-made facilities has essentially been met. The Commission's second criterion that boundaries should allow existing and identified communities to remain intact has been only partially met. In respect to identified community and neighbourhood structures, the Commission's boundary is deficient, particularly in the York Mills Road portion of its overall length. Relative to the proposed boundary's incidence with existing residential land use, it has a higher proportion of its length (43.2%) either touching or cutting across residential areas compared with either the Borough's present boundary (39.1%) or even the Goldenberg Commission's boundary for North York (35.8%).

The "new" boundary encloses a different geographic area with somewhat different land use, structures, and activities thereon. The "new" boundary also represents a considerable reduction in size of over 11,600 acres, or -26.6%. This change in size gives rise in turn to significant reductions in both market value assessment and present value assessment which we calculated at -29% and -32% respectively, compared to a population decline of -25%. This means that more of the municipality's present tax base will be removed than was necessary. The disproportionate

shift of assessment is in direct contravention of the Commission's third boundary criterion. Coupled with the disproportionate shift in assessment, there is a lower than proportionate reduction in 'net' expenditures (-19%). These two effects when combined result in the 20.9% increase in the 1977 residential mill-rate.

In addition to the above increase in mill-rate, "transitional" costs of \$9,800,000-\$10,700,000 have been identified. Included in this estimate are costs related to the required construction of new service facilities, re-located structures, and other physical and/or material requirements, and \$225,000 - \$525,000 of immediate costs in terms of supervisory and managerial time required to undertake and oversee the necessary changes and adjustments. As well, additional annual operating costs related to the new facilities and services amount to \$865,000.

In respect to the Commission's fourth criterion that boundaries should not render unworkable the service areas of permanent physical facilities; with three exceptions, this criterion has been somewhat successful in its application. The three exceptions are: the "new" boundary as delineated in the Wilson-York Mills-Ellesmere area, and in the Warden Avenue area between Steeles Avenue and Ellesmere; and in the special case of disruption to fire services provision by the Borough's Fire Department. In addition to those noted exceptions, we would point out that while no service areas or facilities have been rendered totally unworkable, the fact that some facilities, especially in respect to fire services, are rendered considerably inefficient by the boundary change remains a point of some concern.

In order to transfer or achieve the net expenditure reductions of -19% (above), it will require a 22.1% reduction in Borough staff and primarily at the lower salary and wage levels. It is our view that no major changes in organizational structures should occur and indeed would not be appropriate at this time. Should any organizational or structural changes be contemplated or embarked upon, they would create, in our view, a definite adverse impact on organizational reporting relationships and management structures at a time when they need to be maximized. Parallel to this, we anticipate an initial loss in overall organizational efficiency due to the higher ratio of management, technical, and administrative staff to general service staff. This will be shared among all the departments, although the magnitude of the impact would be particularly felt among the larger departments. Most of the smaller departments providing service functions either will not change significantly or would improve their level of service due to a higher ratio of staff per 1,000 residents

Services, such as roads, sewers, water, and parks maintenance, provided to residents in those portions of North York which may be transferred to other municipalities are not expected to change significantly. On the other hand, services provided to residents in those areas of transfer may experience some service difficulties or even decreases.

In so far as public attitudes, perceptions and preferences for possible boundary changes are concerned, only 25% of the Borough's total population is aware of these possibilities. On the basis of our social survey, of those respondents expressing an opinion or choice in respect to boundaries, more than 50% are opposed to any change.

In respect to overall community planning and development, a number of important factors, inter-relationships, and findings can be reported. Among others, we have reviewed and assessed that:

- the reduction in total employment of (-39.8%) is disproportionate to the general population loss (-25%);
- the decline in both retail (-40.7%) and factory/warehouse jobs (-42.6%) is not proportionate to the drop in the working age (19 - 65 years) group (-26%);
- the overall population reduction (-25%) is somewhat balanced by the loss in housing stock (-27.8%);
- the reduction in existing retail floor space (-33.8%) is in excess of the change in population levels (-25%), and less than the reduction in existing commercial land use (-38.7%);
- the reduction in total borough size (-26.1%) approximates the drop in population (-25.2%);
- the drop in existing residential land use (-30.2%) is in excess of the change in existing housing stock (-27.8%);
- the reduced existing industrial land (-44.8%) approximates the reduction in factory/warehouse jobs (-42.6%);
- the drop in existing open space (-28.3%) approximates the change in existing population levels (-25%);
- the reduction in designated residential land use (-29.1%) equals the change in existing residential land use (-30.2%);
- the change in designated industrial land (-27.6%) is less than the change in existing industrial land use (-44.8%);
- the reduction in designated open space lands (-42.0%) exceeds the change in existing open space lands (-28.3%); and
- the loss of existing retail floor space in strip commercial establishments (-55.3%) exceeds the loss of existing retail space in shopping centres (-30.7%).

In view of the number, complexity and inter-relatedness of our findings, a number of implications are raised should the Commission's recommendations for boundary change be enacted. On the basis of our analysis, our understanding of the "key" issues as they relate both to the present and "new" boroughs will be isolated in the following Section V. Those that are especially important or critical to the Borough at this time will be followed through within the context of our overall recommendations which can be made at this time, given the limitation of our study period and the imperative to meet the 31 October, 1977, Provincial submission deadline.

V. IMPLICATIONS

V. IMPLICATIONS

5.1 EXTERNAL METRO TORONTO BOUNDARY

At the time of both the Ontario Municipal Board (Cumming) Report of 1953, and the Goldenberg Royal Commission enquiry of 1963, the issue of Metro's external boundary was under explicit review. The perspectives and concerns of the respective enquiry regarding the external boundary issue were indicated earlier in Section 4.1.

In contrast, at the outset of the Robart's Royal Commission, the question of the external boundary of the Metropolitan Toronto area was not explicit in the Commission's Terms of Reference although the Commission in its Final report attempts to address it.

The Commission's arguments, cited earlier, in respect to the external boundary are valid in our view with the most convincing being that it is ... "the policy of the Provincial Government that the present Metro boundary remain unchanged." (p.9). The Commission admits that the fixing of the Metro boundary is extremely important for its report, and that as an assumption it has an enormous impact on the system and structure of government within it.

Viewed from the perspective of the Borough of North York, the fixture of the external boundary, because it at the same time forms more than 25% of the Borough's boundaries, reduces considerably the opportunity for any flexibility on the part of the Borough to respond to either the external or the internal boundary issues. At the time of the Commission's call for representative briefs from municipalities, the Borough of North York, in its submission, argued implicitly for maintenance of the external boundary by not advancing a recommendation to change it,

and favoured some further minor adjustments to its remaining internal boundaries largely on the basis of reducing minor anomalies to service areas and thereby increasing service efficiency.

5.2 TORONTO REGION COORDINATING AGENCY

Based upon the above discussion regarding the enormity of the external Metro boundary, the implication which clearly follows is that the Province expects to and will play a stronger role in the affairs of Metro Toronto. The vehicle for doing this could be the recommended Toronto Region Co-ordinating Agency which will have widespread powers for planning and development including the power to examine and comment on budgets and plans of regional-level operating bodies, the Toronto Area Transit Operating Authority and all conservation authorities. What follows here is the possibility of a large centralizing body with an extensive statutory mandate and scope of operation to oversee and supervise local and metropolitan operations from the planning stage to the level of actual implementation through various and unspecified lower-level operating bodies.

5.3 INTERNAL MUNICIPAL BOUNDARIES

Taking the Commission's recommendation for 'new' boundaries for North York (9.2) has implications beyond measurable potential community impacts. For instance, the Commission's recommendations and objective for standardization of ward sizes across Metro (5.15) on appearance may have some merit. Our review of the Commission's ward size criterion of 26,200 persons +10% and our application of it to both the proposed and existing Borough boundaries is worthy of comment. With reference to Exhibit 22, Electoral Ward System, North York would be divided into 15 wards, each with one alderperson on the local council. Taking the Commission's ward groupings, this would in turn result in 5 Metro ward-districts, each with one councillor directly elected to Metro Council. Since the Metro-elected councillors also sit on the local council, together with the Mayor, who is elected at large, this would constitute, in our view, a manageable Council size of 21 members, 2 more than at present. It should be pointed out that a further effect of the boundary changes and the subsequent reduction in both population and area is on the one hand a reduction in North York's relative power base on Metro Council, and on the other, a complex and arduous situation of defining 15 new wards, each with 26,200 +10% persons in a geographic space where it is by the Commission's own review difficult to delineate 14 wards with equalized population distribution in an area 135% greater.

A further complication arising from the Commission's recommendation is that the grouping of the 15 local wards into 5 Metro wards, results in average Metro wards of 83,637 persons or nearly 4,000

persons in excess of the 72,600 persons +10% factor specified by the Commission. This then dilutes somewhat the achievement of the Commission's objective of equalized ward representation for North York within a confined range of population levels on a Metro-wide basis.

Perhaps of equal concern, the application of the same ward size criterion to the present boundary of North York results in a situation which is rendered even more unworkable, not only from an administrative concern, but undoubtedly from any political rationale. In this application, the number of local wards is increased to 21, with, in turn, 7 members from North York elected directly to sit on Metro Council. Together with the local Mayor, this results in a large local council totalling 29 members, 10 more than at present. While in this prospect, North York's power base improves on Metro Council, the difficulty of defining 21 local wards, each with 26,200 persons +10%, or 50% again as many wards as at present, even within the Borough's present and larger area becomes very difficult.

One of the reasons we have raised this particular recommendation in the context of our overall boundary analysis is to demonstrate the inter-relatedness of wards to internal boundaries to external boundaries. Another reason is to demonstrate the difficulty of applying theoretical criteria to the physical or social realities of North York irrespective of the choice of present or recommended boundaries. If one of the Commission's objectives in respect to the electoral system was to streamline local decision-making (p.58), based on the 'assumption' that demands by

citizens for participation in municipal government in Metropolitan Toronto will continue and grow (p.9), then the objective may not have been achieved.

In summary, the results of our application of the Commission's own criteria for definition of local and 'metro' wards results, in one instance in the creation of an inordinately large local Council of 29 members (50% larger than the present Council), or in another instance, in the violation of the Commission's established ward-size for the direct election of members to sit on Metro Council.

EXHIBIT 22

ELECTORAL WARD SYSTEM

<u>System</u>	<u>Present</u>	<u>Goldenberg</u>	<u>Robarts¹⁾</u>	<u>Robarts²⁾</u>	<u>Area</u>	<u>Population</u>
A. Metro Council	37	26	33	33		
B. North York Representation on Metro Council (%)	9 (24.3%)	5 (19.2%)	6 (18.2%)	8 (24.2%)	Metro (Present) N. York (New) N. York	2,154,279 558,067 418,187
C. No. North York Wards	14	8	15	21		
D. North York Council ³⁾	19	21	21	29		

- (1) Applying Robart's criteria to Robart's boundaries to North York.
 (2) Applying Robart's criteria to present boundaries of North York.
 (3) Including Mayor.

5.4 FUTURE BOROUGH PROGRAMMES, POLICIES AND SERVICES

In respect to the reduction in the size of North York and its loss of considerable property assessment, the Commission intimates that any adverse effects should be recovered by one, or a combination of financial instruments. In addition to the questions of 'transitional' grants and cost-sharing arrangements which are covered elsewhere in this report, the Commission suggests that 'other' recoveries may be available, at least over the long-term, in the way of more intensification of land use by re-development. In the particular case of North York, the Commission rests its argument in the potential re-use of the Downsview Airport area, presently a Canadian Armed Forces Base. In respect to this potential, it is our view, after considerable discussion and enquiry, that it may in fact be over-played or at worse, even non-existent. The use of the airport and related lands, inasmuch as they are in Federal Crown ownership, are not subject either to local by-laws or official plan consideration, or to Provincial jurisdiction. As a present and somewhat active, Armed Forces Base, the Downsview Airport is subject to Federal policy, and while recent overtures have been made for release of some lands declared surplus, they are limited. Subject to more detailed and intensive study, they may not be at all useful for urban uses. This is an important consideration as well in relation to the attendant deHavilland Aircraft activity in the airport area, an activity which not only provides a major source of employment and economic benefit but one which requires continued use of runway facilities. Furthermore, within the metro-wide context, even the present Metroplan proposals do not envisage that this area, in comparison to other centres of potential

activity such as North Yonge Street, become a major retail/office employment node. Following upon the considerable commitment of public funds in excess of \$20.0 millions to the Yonge Street area, and private investments attracted to this area, the 'key' to the future development of North York, and ultimately to Metroplan's de-concentration objective is not in our assessment in the direction of re-use of the airport lands.

Another important area of concern with considerable implications to the Borough is that of 'transitional' costs associated with the boundary changes. While it is noted that the Commission provided no timetable or implementation programme in respect to its 126 recommendations, according to our best assessment, the Commission provided no estimates of overall cost impacts in respect to the delivery of local municipal services which are affected all across Metro by the boundary changes. For illustration, we foresee the net per capita expenditures increasing by \$9.17 overall from \$118.67 in the present borough to \$127.84 in the 'new' borough, a 7.7% increase. In particular, the Royal Commission did not identify, determine or even estimate the cost impacts on the provision of important protective services such as fire.

Beyond protective services, the prospective losses in community centres and related parklands could result in temporary problems of facility access, loss of municipal revenues, and perhaps innumerable problems to community associations and local groups which would no longer have easy access to certain facilities. Unless residents

remaining in North York could have continued access to present parks and recreational facilities which might be under new municipal management and jurisdiction, we would foresee serious problems created in the way of reduced viability of some local organizations and major cutbacks in services to residents generally.

In respect to attempting a comparative evaluation of service 'packages' and levels of services provided to North York residents in areas of other municipal jurisdiction, we cannot be conclusive in advancing findings and implications. Having researched available literature at our disposal and in ensuing discussions with Provincial officials in respect to the issue of inter-municipal comparisons, we concluded that there is at this time no accepted and standard means of either measuring or comparing levels of service. It would be sufficient and fair to say at this time, that in respect to the smaller boroughs there exists a lesser level of organizational complexity and capability which, in their new contexts, will have to be considerably updated and expanded to cope with the potential new demands imposed by the boundary changes.

Looking to overall community development measures, the (-25%) reduction in population backed against the (-42%) reduction in designated recreational lands may be indicative of an absolute decline in per capita open space in the 'new' borough. Subject to more intensive study and the use of updated 1976 land use data, this could emerge as an important policy issue of under-designation of open space within the framework of the official plan for the 'new' borough.

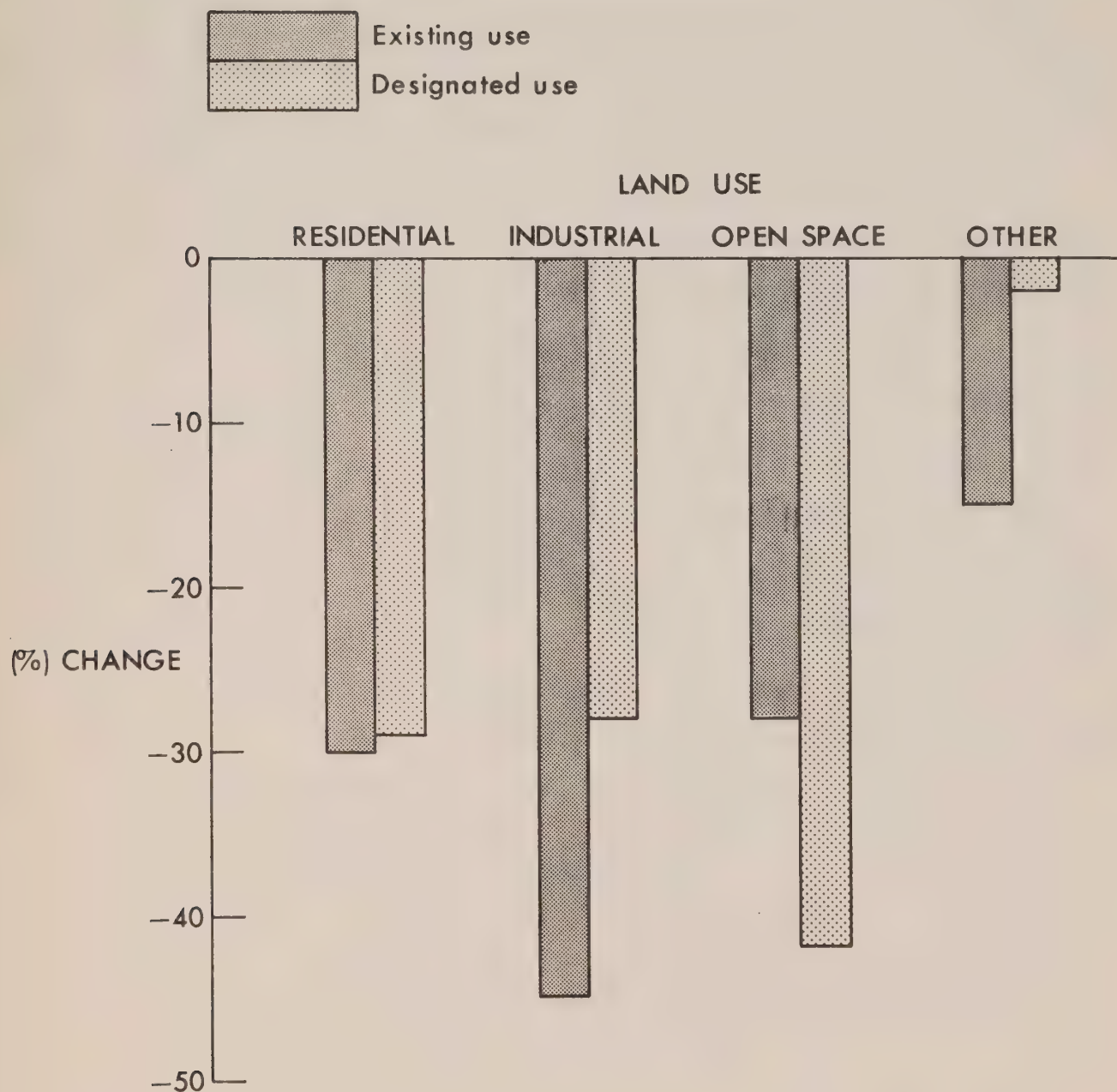
Moving to economic activities, if the decline in labour force in the 'new' borough exceeds the decline in population a potential situation could arise in a mis-match of jobs to people, irrespective of the effects of commuting and inter-municipal cross-flows of workers in the greater Toronto area. This could mean that elements of the labour force would look elsewhere for jobs and that the 'new' borough would not be able to capture the job-creation and spin-off benefits of its labour force. What would be important here at some future stage of analysis, and assuming that the boundary changes are in fact carried out, would be to get into the related occupational job profiles data which is presently not available from the 1976 census. Our concern here would not be cognizant of just quantitative changes to the labour force, but qualitative changes and measures of population change such as education levels, job skills, and incomes which are important indices to evaluate programme needs and eventual policy prescriptions.

The reduction in the provision of per capita retail floor space in the 'new' borough raises the question of the designation of 'other' land uses in the 'new' borough in its official plan framework. Depending upon additional enquiry, the implication here is that the rationale and inter-dependencies of land use structures and retail activities may have been disrupted to some extent by the boundary changes. Inasmuch as planning and development in the Metro Toronto area has been influenced by market forces over the past 10-20 years, or longer, an issue is raised here for each of the potential new jurisdictions as

to the degree to which any disruption in land use structures is to be maintained. Of direct concern to North York is the degree to which specific land uses will be 'moved out' of the existing borough, and the effects which these 'movements' will have on medium and long-term business and economic activity. To that end, reference to Exhibit 23 depicting the rate of land use change between the present and 'new' boroughs may be of some interest.

EXHIBIT - 23

IMPACTED LAND USE CHANGES
EXISTING AND DESIGNATED USES
PRESENT vs. "NEW" NORTH YORK



5.5 THE PROVINCIAL SUBMISSION

To conclude our overall assessment of implications of our findings, we will return to the final report of the Royal Commission itself. Our experience in responding to this report has required in the first instance that a considerable data base be established afresh in order to have a reasonable and sufficient basis for conducting meaningful analysis. The implication here is that the Commission in the completion of its mandate was remiss in not publishing more background data and other information, particularly when submissions have been requested by the Provincial Government in response to the Commission's recommendations.

In view of our findings in Section IV preceding, another implication arising from our evaluation of the Commission's boundary recommendations is the adequacy of the boundary criteria, rather than their application by the Commission. The application of the criteria, rather than the criteria themselves, is in large part the measure of the criticism of our findings. What follows in the generally adverse impacts to North York is also of concern to us.

Since the Commission appears to have undertaken no feasibility study or cost/benefit of its boundary proposals it is difficult to respond at length. We indicated earlier that the 4 criteria advanced by the Commission, of themselves, are adequate and would be contributive to the task of defining new municipal boundaries if in fact the present boundaries by some means of evaluation could be shown deficient in the first instance. On balance, we feel that the

4 criteria of the Commission should be expanded to include several other factors, and in particular should show some recognition of, or sensitivity to, future community development patterns. To be positive, we offer below a series of 8 boundary criteria which should, in our view, be used for defining and evaluating alternative (new) municipal boundaries. We have, as well, provided two additional criteria which depending upon circumstances might be used to supplement overall boundary search and appraisal. Briefly, these are:

1. Natural Geographic Features (major)
2. Major Man-made Facilities e.g. No.401
3. 'Natural' Community Boundaries based on:
 - school (elementary) establishment
 - park (local) service boundaries
 - ratepayer's groups areas
 - ethnic group "clusters" etc.
4. Former (smaller) (historical) Municipalities
5. Balancing of Population Change to Change in Assessment Base (Robart's No.3)
6. Workable (efficiency) Municipal Service Areas based on Fixed (physical) Service Facilities and Operating Equipment Characteristics
7. Established (Built) Community Development Patterns
8. Future (potential) Growth Areas as Portrayed and (phased) in Official and/or District Plans
- *9. Traditional "voting" Areas
- *10. Present (former) Provincial and/or Federal Constituencies

* These are optional criteria.

The major implication arising out of our findings and conclusion that the Commission's boundary proposals for North York are unsubstantiated, is that the Commission, in the final analysis, has not adequately fulfilled its mandate in an objective and convincing manner. Because of this, it is clearly not in the best interests of the municipality to accept, or to recommend that the Government of Ontario accept, the proposed 'new' boundaries of the Borough of North York as a basis for legislating municipal re-structing and re-organization in the Metropolitan Toronto area.

